

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

**Amendment No. 1
to
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

BigCommerce Holdings, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7372
(Primary Standard Industrial
Classification Code Number)

46-2707656
(I.R.S. Employer Identification
Number)

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(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

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

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

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

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

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to Be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Series 1 Common Stock, \$ 0.0001 par value per share	7,877,500	\$20.00	\$157,550,000	\$20,449.99

(1) Includes 1,027,500 shares reflecting the underwriters' option to purchase additional shares.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(a) under the Securities Act of 1933, as amended.

(3) Of this amount, \$12,980 has previously been paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)

Issued July 28, 2020

6,850,000 Shares

The logo for BigCommerce, featuring a black triangle pointing to the right with the word "BIGCOMMERCE" in white, bold, sans-serif capital letters to its right.

Series 1 Common Stock

BigCommerce Holdings, Inc. is offering 6,850,000 shares of its Series 1 common stock. This is our initial public offering, and no public market currently exists for our shares of Series 1 common stock. We anticipate that the initial public offering price will be between \$18.00 and \$20.00 per share.

We have two classes of common stock, Series 1 common stock and Series 2 common stock. The rights of the holders of Series 1 common stock and Series 2 common stock are identical, except for voting and conversion rights. Each share of Series 1 common stock is entitled to one vote and is not convertible into another class or series of our securities. Series 2 common stock is not entitled to vote, except as required by law, and automatically converts without the payment of additional consideration into Series 1 common stock only upon transfer by holders of Series 2 common stock in certain circumstances. As such, only holders of Series 1 common stock are entitled to vote on the election of members of the board of directors.

We have applied to list our Series 1 common stock on the Nasdaq Global Market under the symbol "BIGC."

We are an "emerging growth company" as defined under the federal securities laws and, as such, may elect to comply with reduced public company reporting requirements for this and future filings. See "Summary—Implications of being an emerging growth company." Investing in our Series 1 common stock involves risks. See "[Risk Factors](#)" beginning on page 22.

	PRICE \$	A SHARE		
Per share	\$	<u>Price to Public</u>	<u>Underwriting Discounts and Commissions^(a)</u>	<u>Proceeds to BigCommerce</u>
Total	\$		\$	\$

(a) See "Underwriting" for a description of the compensation payable to the underwriters.

We have granted the underwriters the option to purchase up to an additional 1,027,500 shares of Series 1 common stock, solely to cover over-allotments, if any.

One or more entities affiliated with Tiger Global Management, LLC, or Tiger Global, have indicated an interest in purchasing up to a maximum of 20% of the shares of Series 1 common stock offered in this offering at the initial public offering price. This indication of interest is not a binding agreement or commitment to purchase. As a result, Tiger Global could determine to purchase more, less, or no shares in this offering, or the underwriters could determine to sell more, less, or no shares to Tiger Global. The underwriters will receive the same discount on any of the shares sold to Tiger Global as they will from any other shares sold to the public in the offering.

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

The underwriters expect to deliver the shares of Series 1 common stock on or about _____, 2020.

Morgan Stanley
Canaccord Genuity

Barclays
Needham & Company

Jefferies
Raymond James

KeyBanc Capital Markets
SunTrust Robinson Humphrey



IGNITE GROWTH, NOT COMPLEXITY

Meet the flexible, open SaaS platform leading a new era of ecommerce.
Explore a world of possibilities to **Build**, **Innovate**, and **Grow**.

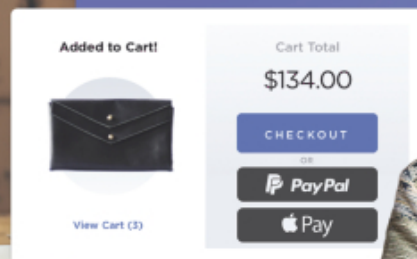
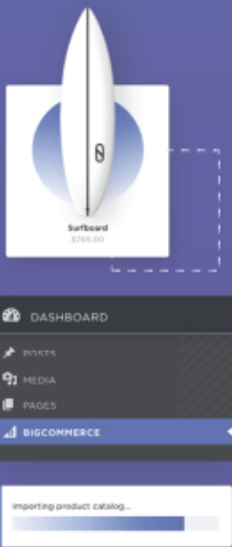


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Neither we nor the underwriters have authorized anyone to provide you with information different from that contained in this prospectus, any amendment or supplement to this prospectus or any free writing prospectus prepared by us or on our behalf. Neither we nor the underwriters take any responsibility for, or can provide any assurance as to the reliability of, any information other than the information in this prospectus, any amendment or supplement to this prospectus or any free writing prospectus prepared by us or on our behalf. We and the underwriters are offering to sell, and seeking offers to buy, shares of our Series 1 common stock only in jurisdictions where offers and sales thereof are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our shares. Our business, prospects, financial condition and results of operations may have changed since that date.

Until _____, 2020 (25 days after commencement of this offering), all dealers that buy, sell, or trade shares of our Series 1 common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to their unsold allotments or subscriptions.

For investors outside of the United States, neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of Series 1 common stock and the distribution of this prospectus outside of the United States.

Summary

This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in our Series 1 common stock. You should read this entire prospectus carefully, including “Risk Factors,” “Special Note Regarding Forward-Looking Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. As used in this prospectus, unless the context otherwise requires, references to “we,” “us,” “our,” the “Company,” or “BigCommerce” refers to BigCommerce Holdings, Inc. and its subsidiaries.

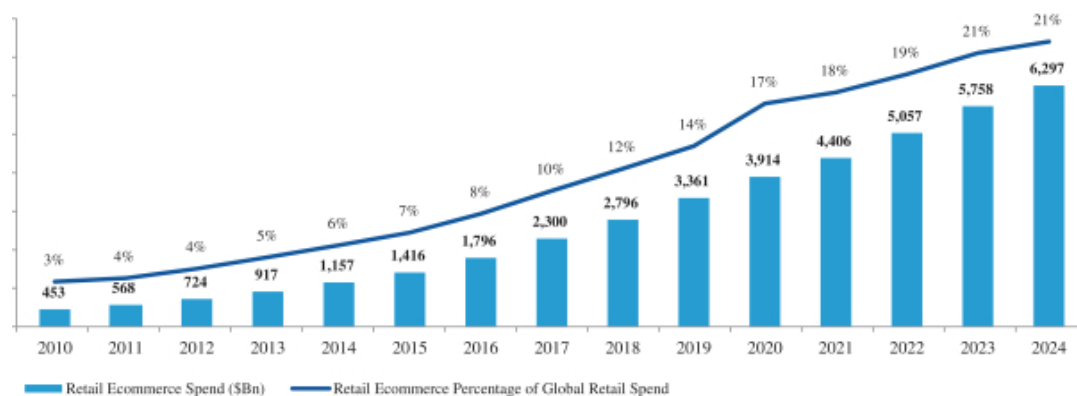
BigCommerce Holdings, Inc.

Overview

BigCommerce is leading a new era of ecommerce. Our software-as-a-service (“SaaS”) platform simplifies the creation of beautiful, engaging online stores by delivering a unique combination of ease-of-use, enterprise functionality, and flexibility. We power both our customers’ branded ecommerce stores and their cross-channel connections to popular online marketplaces, social networks, and offline point-of-sale (“POS”) systems. As of June 1, 2020, we served approximately 60,000 online stores across industries in approximately 120 countries.

BigCommerce operates at the forefront of a world of commerce that is changing rapidly. The transition from physical to digital commerce constitutes one of history’s biggest changes in human behavior, and the pace of change is accelerating. According to eMarketer Inc. (“eMarketer”), retail ecommerce was nonexistent in the early-1990s and grew to approximately 10% of all global retail spending in 2017. They predict it will take just six years for this percentage to more than double to 21% of global retail spending in 2023, as shown in the chart below. The growth in ecommerce has no end in sight.

The adoption of retail ecommerce is accelerating



As commerce moves online, businesses must not only anticipate changing customer expectations, but also deliver engaging and highly personalized experiences across channels, necessitating a continuous process of digital transformation. We are currently witnessing major shifts in device usage from desktop to mobile, in mobile technology from responsive websites to progressive web applications, and in shopping venues from in-store to branded ecommerce sites, marketplaces, and social networks. The entire shopping journey, from product discovery to engagement to purchase and delivery, matters. To best serve their customers in this dynamic

digital era, businesses need a platform for cross-channel commerce that nimbly keeps them at the forefront of user experience and innovation.

BigCommerce empowers businesses to turn digital transformation into competitive advantage. We provide a comprehensive platform for launching and scaling an ecommerce operation, including store design, catalog management, hosting, checkout, order management, reporting, and pre-integration into third-party services like payments, shipping, and accounting. All our stores run on a single code base and share a global, multi-tenant architecture purpose-built for security, high performance, and innovation. Our platform serves stores in a wide variety of sizes, product categories, and purchase types, including business-to-consumer (“B2C”) and business-to-business (“B2B”). Our customers include Avery Dennison, Ben & Jerry’s, Burrow, SC Johnson, SkullCandy, Sony, and Woolrich.

When launched in 2009, BigCommerce initially targeted the small business (“SMB”) segment with a simple, low-cost, all-in-one solution delivered through the cloud. Starting in 2015, company leadership transitioned from our original founders to our current chief executive officer and management team. We identified the market opportunity to become the first SaaS platform to combine enterprise-grade functionality, openness, and performance with SMB-friendly simplicity and ease-of-use. We consequently expanded our strategic focus to include the mid-market, which we define as sites with annual online sales between \$1 million and \$50 million, and large enterprise, which we define as sites with annual online sales from \$50 million to billions of dollars. At the time, these segments primarily relied on “legacy software,” whether licensed, open source, or custom-developed. To build a better SaaS alternative, we began a multi-year investment in platform transformation. In the subsequent five years, in nearly every component of our platform, we added advanced functionality and openness using application programming interface (“API”) endpoints. This transformation – beginning with a simple product built for the low-end of the market, then adding advanced functionality and performance to compete in the mid-market and large enterprise segments – is classic disruptive innovation.

We strive to provide the world’s best SaaS ecommerce platform for all stages of customer growth. As of June 1, 2020, BuiltWith.com (“BuiltWith”) ranked us the world’s second most-used SaaS ecommerce platform and top five overall among the top one million sites globally by traffic, which we believe consists primarily of established SMBs. We also were ranked the second most-used SaaS ecommerce platform among the top 100,000 sites globally by traffic, which we believe consists primarily of mid-market and large enterprise businesses. For the mid-market and large enterprise segments, we believe we are differentiated because our platform combines three elements not typically offered together:

- **Multi-tenant SaaS.** The speed, ease-of-use, high-performance, and continuously-updated benefits associated with multi-tenant SaaS.
- **Enterprise functionality.** Enterprise-grade functionality capable of supporting sophisticated use cases and significant sales volumes.
- **Open SaaS.** Platform-wide APIs that enable businesses to customize their sites and integrate with external applications and services.

We believe this powerful combination makes ecommerce success at scale more economically and operationally achievable than ever before.

We have become a leader in both branded-site and cross-channel commerce. Cross-channel commerce involves the integration of a customer’s commerce capabilities with other sites — online and offline — where consumers and businesses make their purchases. We offer free, direct integrations with leading social networks such as Facebook and Instagram, search engines such as Google, online marketplaces such as Amazon and eBay,

and POS platforms such as Square, Clover (a Fiserv company), and Vend. A dynamic and growing cross-channel category is “headless commerce,” which refers to the integration of a back-end commerce platform like ours with a front-end user experience separately created in a content management system (“CMS”) or design framework. The most dynamic and interactive online user experiences are often created using these tools. We integrate seamlessly with the leading CMSs, digital experience platforms, design frameworks, and custom front ends.

Partners are essential to our open strategy. We believe we possess one of the deepest and broadest ecosystems of integrated technology solutions in the ecommerce industry. We strategically partner with, rather than compete against, the leading providers in adjacent categories, including payments, shipping, POS, CMS, customer relationship management (“CRM”), and enterprise resource planning (“ERP”). Our partner-centric strategy stands in contrast to our largest competitors, which operate complex software stacks that compete across categories. We focus our research and development investments in our core product to create a best-of-breed ecommerce platform. We believe this strategy has four advantages:

- **Core product focus.** We can create the industry’s best ecommerce platform and innovate faster than our competition by focusing development on a single core product.
- **Best-of-breed choice.** We offer our customers the choice of best-of-breed, tightly integrated solutions across verticals.
- **Cooperative marketing and sales.** We co-market and co-sell with our strategic technology partners in each category.
- **High gross margins.** We earn high-margin revenue share from a subset of our strategic technology partners, and this complements the high gross margin of our core ecommerce platform.

Our business has experienced strong growth. Our annual revenue run-rate (“ARR”) reached \$102.2 million as of December 31, 2018, \$128.5 million as of December 31, 2019, and \$137.1 million as of March 31, 2020. Our ARR growth rate increased from 22.3% in 2018 to 25.8% in 2019 and from 21.6% for the three months ended March 31, 2019 to 26.8% for the three months ended March 31, 2020. Our revenue increased from \$91.9 million in 2018 to \$112.1 million in 2019. Our revenue growth rate increased from 19.6% in 2018 to 22.0% in 2019 and to 29.7% in the three months ended March 31, 2020. During the three months ended March 31, 2019 and 2020, our revenue was \$25.6 million and \$33.2 million, respectively. Our gross margin was 76.1% in 2018, 75.9% in 2019, and 76.8% and 77.5% for the three months ended March 31, 2019 and 2020, respectively. We had net losses of \$38.9 million in 2018, \$42.6 million in 2019, and \$10.5 million and \$4.0 million in the three months ended March 31, 2019 and 2020, respectively. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key business metrics—Annual revenue run-rate” for a description of how we calculate ARR.

Impact of COVID-19

COVID-19, declared a global pandemic by the World Health Organization on March 11, 2020, has caused disruption to the economies and communities of the United States and our target international markets. In the interest of public health, many governments closed physical stores and places of business deemed non-essential. This precipitated a significant shift in shopping behavior from offline to online. In June 2020, eMarketer predicted that U.S. brick and mortar retail spending will decline by 14% in 2020, whereas U.S. consumer ecommerce spending will increase by 18%, the highest growth rate since their coverage began in 2008. Our business has benefited from this shift, both in accelerated sales growth for our existing customers’ stores, and in our sales of new store subscriptions to customers. Nevertheless, we do not have certainty that these trends will continue; the impact of the COVID-19 pandemic and the uncertainty it has created in the global economy could

materially adversely affect our business, financial condition, and results of operations. Certain of the market research included in this prospectus was published prior to the outbreak of the pandemic and did not anticipate the virus or the impact it has caused on the adoption of ecommerce. We have utilized this pre-pandemic market research in the absence of updated sources. For more information regarding the potential impact of the COVID-19 pandemic on our business, refer to “Risk Factors,” as well as our commentary in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this prospectus.

Impact on operations

During the month of March, in compliance with local, state, and national regulations, we closed our major offices in Austin, San Francisco, Sydney, and London, and transitioned in an orderly fashion to work-from-home operations. We accomplished this efficiently across our various global teams and functions. Our employees and teams were equipped with the equipment and collaboration tools they need to successfully work remotely.

As of June 1, 2020, our average platform uptime for 2020 was 99.99%, which exceeded its average uptime for 2019 of 99.98%. We consider this to be strong performance given the increase in site traffic and volume since the start of the pandemic. During the pandemic, we completed the rollout of our new storefront architecture. Our customer service teams completed the transition to work-from-home while maintaining service levels.

In accordance with local regulations, we began reopening our Austin offices in June. We have been and expect to continue to be responsive to the evolving guidance of local authorities, which, as a practical matter, required closing our Austin offices in July. We plan to begin reopening our offices as local regulations and conditions allow. We believe that we are well equipped to support full or partial remote work without major service disruption.

Impact on ecommerce sector and our sales efforts

From late March through June 2020, ecommerce sales in the United States and our target international markets increased significantly due to the widespread shutting of physical stores and behavioral changes associated with social distancing.

Beginning in March 2020, new sales of Essentials plans increased substantially, growing 33%, 106%, and 86% year-over-year for March, April, and May 2020, respectively. In contrast, we experienced reductions in Enterprise plan sales of 14% and 13% year-over-year in March and April, respectively. This resulted from several of our larger enterprise sales prospects needing to focus on their pandemic response at the immediate expense of their ecommerce initiatives. However, sales of Enterprise plans improved significantly in May 2020, growing 60% year-over-year. Thus far during the pandemic, we have observed an overall shortening of sales cycle time and an improvement in lead conversion and competitive win rates.

Impact on revenue

Our year-over-year revenue growth rate in the first quarter of 2020 was 29.7% and our year-over-year ARR growth rate was 26.8%, an increase relative to the 22.8% year-over-year revenue growth rate and 25.8% year-over-year ARR growth rate in the fourth quarter of 2019. The catalyst for this growth rate acceleration was partner and service revenue, which increased 51.8% versus the same quarter in 2019.

Industry trends

Online shopping behaviors are evolving as ecommerce adoption is accelerating around the world. This puts tremendous pressure on businesses to pursue digital transformation with technology that innovates as fast as the market.

Accelerating growth of ecommerce as a share of total retail spend. More than half of the world’s population is now online, according to eMarketer, with four billion global internet users spending an average of seven hours online per day across ecommerce, content, social networks, and applications on desktop and mobile platforms. Global retail ecommerce will reach \$3.9 trillion, representing 17% of total retail spending in 2020, according to eMarketer. They forecast that retail ecommerce will reach \$6.3 trillion by 2024, representing 21% of retail spending. Digital influence extends to purchases made in the physical world as well. Forrester Research, Inc. (“Forrester”) estimates that digital touchpoints impacted 51% of total U.S. retail sales in 2018.

Consumers rapidly changing how they shop across online and offline channels. The internet has empowered consumers with a breadth of information, social interactions, and shopping alternatives far exceeding anything previously available. No longer can brands rely on a single channel — historically, the store shelves of the closest physical retailer, or more recently, a single branded website — to reach their target audience. Instead, businesses must address the breadth of touch points influencing what and where shoppers buy. These include content sites (information and influencers), social networks, search engines, marketplaces, and of course, their own branded sites. According to Internet Retailer’s *Online Marketplaces Database* report in 2019, 57% of global ecommerce occurs on marketplaces such as Amazon and eBay, so brands and retailers must consider those as potential sales channels. For sales that are transacted on our customers’ own ecommerce sites, roughly half of those originate from buyer journeys that began online somewhere else, such as a search engine, social network, or linked site. To maximize sales potential, businesses must embrace true omni-channel selling and ensure seamless, delightful experiences throughout each buyer’s journey.

Growth of direct-to-consumer, digitally native brands. Whereas consumer brands historically relied on retail distribution for their products, ecommerce enables a new model of direct-to-consumer, vertically-integrated digitally native brands (“DNBs”). DNBs sell products directly to consumers online as their primary distribution channel, frequently bypassing third-party retailers or the need for their own capital-intensive brick-and-mortar stores. In 2019, DNBs comprised 31 of the Internet Retailer Top 500 stores and grew sales at a much faster rate (29.5%) than non-DNBs (17.6%). The growth in DNBs has corresponded with demand for turnkey ecommerce platforms that support both rapid product launch and scaling to mid-market size and beyond.

B2B buying and selling also transitioning to the digital world. Historically, B2B ecommerce adoption has lagged that of B2C, but that is now changing. B2B sellers are embracing digital transformation in pursuit of both efficiency and sales effectiveness, in response to business buyers whose user experience expectations have been reshaped by B2C shopping. According to Forrester, B2B ecommerce now exceeds \$1 trillion in the United States. According to a Digital Commerce 360 survey of more than 200 B2B companies, more than 50% had yet to launch a transactional ecommerce site, but of those without an ecommerce site, 75% stated plans to have one within two years, signaling further growth ahead. Digital commerce can help B2B companies address complexities throughout their supply chains, thereby benefitting manufacturers, wholesalers, distributors, and even raw materials suppliers.

Digital transformation is becoming the #1 priority in global IT spending. Digital transformation will soon outrank all other business information technology (“IT”) priorities combined. International Data Corporation (“IDC”) predicts that by 2023, digital transformation and innovation will account for more than 50% of all IT spending, as compared to 36% of IT spending in 2018. Traditionally, business IT priorities have been determined by IT departments. Increasingly, however, business line owners control the purchase decision for digital transformation spending. Business line owners are ultimately seeking to invest in initiatives that drive revenue growth, operational efficiency, and competitive advantage.

Market size and opportunity

Large, rapidly growing global market for ecommerce platforms. IDC estimates that the global market for digital commerce applications, which we refer to as “ecommerce platforms,” was \$4.7 billion in 2019 and is

expected to grow at a compound annual growth rate (“CAGR”) of 11% to reach \$7.8 billion in 2024. This global market includes legacy ecommerce platforms and SaaS ecommerce platforms. We believe our total addressable market is materially larger than ecommerce platform spend due to the additional revenue share that we earn from our technology partner ecosystem.

Both B2B and B2C businesses investing in digital transformation. According to IDC, in 2020 B2C sites will account for 67% of total global spend on ecommerce platforms, while B2B sites will account for the remaining 33%. B2C and B2B businesses are spending today to enable the online sales of tomorrow. Forrester predicts that in 2023, 17% of all U.S. B2B sales will occur online. For that same year, eMarketer predicts that 17% of all U.S. B2C spending will occur online.

Global opportunity. According to BuiltWith as of January 7, 2020, 42% of all ecommerce websites are based in the United States, and 58% are outside of the United States. IDC estimates that the Americas, Europe, Middle East and Africa (“EMEA”), and the Asia Pacific region (“APAC”) will represent 61%, 22%, and 17% of total global spend on ecommerce platform technology in 2020, respectively, with EMEA and APAC growing at CAGRs of 8% and 17% through 2024, respectively.

Legacy software challenges

Legacy approach to ecommerce involves software ownership and management. Historically, most businesses have licensed, owned, and/or managed the technology behind their ecommerce sites. Legacy approaches — led by custom-developed and licensed open source software — are still prevalent for the largest retail businesses. We believe the most commonly used ecommerce platforms for established SMBs are open source and on-premise software. According to BuiltWith as of June 1, 2020, among the one million most trafficked websites globally, open source software holds three of the top four ecommerce platform spots. Although SaaS platforms have existed since the late 1990s, only within the last five years have multiple SaaS options begun to challenge legacy software leaders in the small, mid-market, and large enterprise segments.

Creating, managing, and modernizing online stores with legacy software is difficult. For businesses using legacy software, ecommerce can be enormously challenging, requiring significant headcount and a wide range of capabilities that may not be their core strengths. These capabilities include:

- **Site design and user experience.** Legacy site design tools can quickly become outdated in functionality and user interface, making it difficult for businesses to keep pace with changing user experience expectations across device types.
- **Multi-channel management.** Connecting and maintaining multi-channel sales capabilities across POS, desktop and mobile websites, mobile applications, online marketplaces, and social networks is difficult, time consuming, and expensive.
- **Application and systems integration.** Ecommerce requires a wide range of integrated third-party applications for even the simplest of sites, including payments, shipping, tax, and accounting. More sophisticated businesses will often incorporate dozens of integrated third-party applications.
- **Security.** The brand and financial consequences of a security breach can be severe. Businesses must ensure security across the breadth and depth of their platform; third-party managed hosting of legacy software does not absolve companies of responsibility for their software.
- **Order processing and operations.** Operating costs and complexities increase rapidly if software does not make the steps simple for fulfilling orders, serving shoppers, and managing financials.

- **Platform feature and performance upgrades.** Static software becomes outdated and poorer-performing over time. Businesses of all sizes often lack the resources required to upgrade, patch, and modernize their legacy software in line with consumer and technology trends.

Legacy software does not meet the needs of most businesses. Due to the challenges mentioned above, legacy ecommerce software imposes an immense burden on companies that implement or maintain it themselves. Most businesses pursuing ecommerce are built and staffed to make or sell products; for these businesses, managing and maintaining software and technology infrastructure can be an operational distraction and financial burden. Three factors prompt many businesses to consider a SaaS alternative to legacy software for their ecommerce solutions:

- Time, complexity, and skill sets required to implement and operate software;
- Financial cost of software licensing, engineering, hosting, and management; and
- Burden of staying current and meeting high, ever-changing consumer expectations and demands.

Our solution

BigCommerce is a leading open SaaS platform for cross-channel commerce. We offer a complete, cloud-based ecommerce solution that scales with business growth. After years of significant investment in our product and technology, we believe we offer industry-leading capabilities, flexibility, scalability, and ease-of-use for a SaaS platform. All our customers, regardless of size, operate on a single, global, multi-tenant architecture that offers a compelling solution for successful online selling.

- **Open.** Platform APIs make our platform accessible to customization, modification, and integration.
- **Comprehensive.** We provide complete functionality for setup, store design, store hosting, checkout, order processing, and order management.
- **Cloud.** Our multi-tenant SaaS model includes both the hosting of our customers' stores and cloud-based delivery of store management functionality.
- **Secure and compliant.** We offer native security protection related to payments (PCI-DSS), information (ISO 27001), applications, and external threats. We comply with relevant regulations such as the European Union's General Data Protection Regulation ("GDPR").
- **Performant.** All stores have built-in enterprise-grade security, speed, uptime, and hosting via the Google Cloud Platform.
- **B2C and B2B.** We are both a full-featured B2C platform and supportive of a wide variety of B2B use cases either natively or in conjunction with third-party B2B extensions.
- **Cross-channel.** We support cross-channel selling via native and third-party integrations with leading marketplaces, social networks, search engines, CMSs, and POS platforms.
- **Application ecosystem.** Our application ecosystem is one of the largest among ecommerce platforms, including more than 600 pre-built applications and integrations promoted through our BigCommerce Apps Marketplace.

- **Ease-of-use.** Approximately 70% of implementations are completed within two months. Small businesses can create their stores in as little as a few hours.
- **Delightful.** Our beautiful store design themes and editing tools enable businesses to create unique, branded user experiences that delight their shoppers.
- **Affordable.** Our monthly subscription fees start at \$29.95 per month and increase with business size and functionality requirements.
- **Scalable.** Higher-tiered plans offer more sophisticated functionality required by large enterprises, including advanced promotions, faceted search, and price lists.
- **Global.** Our platform can be used by shoppers around the world, with front-end support for a shopper’s preferred language, as well as back-end control panel language options including English, Chinese, French, Italian, and Ukrainian, with more languages planned.

Our competitive advantages

As a SaaS ecommerce market leader with a singular focus on our core platform, we strive to deliver the world’s best combination of advanced functionality, flexibility, scalability, and ease-of-use to fast-track the ecommerce success of businesses of all sizes.

Built to support growth from SMB to large enterprise. Originally designed for the needs of SMBs, BigCommerce now powers some of the largest brands in the world. Starting with a comprehensive but easy-to-use platform, businesses can grow to hundreds of millions in sales without encountering functionality, flexibility, or scalability limitations. We offer advanced SaaS-based capabilities for interactive visual merchandising, complex and large catalog management, faceted search, advanced promotions, customer groups, and complex price lists. BigCommerce was rated a Strong Performer in the Forrester Wave Reports: B2C Commerce Suites and B2B Commerce Suites, Q2 2020.

Open SaaS. Because every business is unique, and most large businesses have specific requirements not easily met “out of the box,” our product strategy emphasizes what we call “open SaaS.” Open SaaS refers to the exposure of SaaS platform functionality via APIs and software development kits. APIs enable our customers to access a wide variety of third-party applications, integrate with legacy systems, and customize when required. Open SaaS, as a strategy, thereby competes with the flexibility of legacy open source software. We believe our platform openness is industry-leading for SaaS, spanning areas such as checkout, cart, tax, pricing, promotions, and the storefront. Our open technology scales to meet high volumes of up to 400 API calls per second per customer.

With respect to both product functionality and platform openness, we deliver new features and API enhancements on a regular basis, without customer service disruption or the need for software upgrades. This constitutes a primary advantage of our multi-tenant SaaS platform relative to legacy software. With legacy software, businesses often need to manage and deploy enhancements and upgrades themselves, at significant operational and financial cost. In contrast, our customers benefit from a platform that seamlessly progresses its capabilities and performance on a regular basis, thereby staying ahead of industry trends, consumer expectations and demands, and competition. The power of our platform to support high growth better than legacy software is evidenced by the large and growing number of category leaders, including more than 30 Global 2000 businesses, that select us as their ecommerce platform of choice.

Cross-channel commerce. We provide free connections to the two leading U.S. marketplaces, Amazon and eBay, and our technology partners enable integration to dozens of other leading marketplaces around the world. We are one of just two platforms that natively enables social selling on Facebook and Instagram Checkout. We have integrations and business partnerships with a wide range of leading POS software vendors, including Square, Clover (a Fiserv company), and Vend.

For our customers' branded sites, our Stencil design framework offers more than 100 beautiful, pre-built, responsive theme variations along with the ability to custom design within a local development environment. Our interactive Page Builder enables drag-and-drop management of layouts, designs, widgets, and content blocks on pages that can contain anything from simple image rotations to powerful merchandising functionality.

We also support the option of fully headless commerce. We and our technology partners have developed integrations and support for leading commercial CMSs, including Acquia, Adobe Experience Manager, Bloomreach, Drupal, Sitecore, and WordPress. We are further utilized in conjunction with the leading progressive web application frameworks, including Deity, Gatsby, and Vue Storefront. Many businesses simultaneously utilize our native storefront capabilities along with headless commerce on blogs and other content sites.

Lower total cost of ownership. We believe the total cost of ownership of our platform is substantially less than that of legacy software. The total cost of legacy software, including expenses related to software licensing, software engineering, hosting, technical operations, security management, and agency and systems integration support, can be substantial. Our customers can also benefit from pre-negotiated rates from our strategic payments partners, whose published rates are below those of our largest SaaS competitor for most plan types.

Performance and security. We have designed our platform to maximize uptime, minimize response time, and ensure a secure environment. Across all sites, our stores achieved 99.98% average uptime in 2019 and as of June 1, 2020, our average uptime for 2020 was 99.99%. For the cyber five peak holiday shopping days, we have reported zero site downtime every year since 2014.

As measured by Google PageSpeed Insights, our platform benchmarks faster than leading ecommerce sites. Faster response and page load times benefit customers by improving shopper experience and organic search engine page rankings. Unlike with managed software, security is built into the BigCommerce platform and service. We offer native payments security at PCI-DSS Level 1, and our security protocols have achieved ISO 27001 certification, the "gold standard" in security assessment.

Growth strategy

As a "customer first" company, we believe customer success is a fundamental prerequisite of all components of our growth strategy, and we therefore rank it first among our growth priorities.

Retain and grow existing customers through product and service leadership. We believe our long-term revenue growth is highly correlated with the success of our existing customers. We enable customer success through product excellence and service quality. We have extensive internal processes for aligning our product roadmap with the features and enhancements that drive customer growth. We also have mature internal processes for measuring service levels and satisfaction, along with closed-loop resolution of issues and feature requests. We strive for industry-leading customer retention rates, net promoter scores, service levels, and same-store sales growth. We experience revenue growth from our existing customers over time in a variety of ways, including (1) as our customers' ecommerce sales grow, so does our subscription revenue, and (2) our customers purchase and deploy additional stores to serve their other brands, geographies, and/or use cases (e.g., B2B in addition to B2C).

Acquire new mid-market and large enterprise customers. Our flagship plan is BigCommerce Enterprise, which is tailored for mid-market and large enterprise businesses selling more than \$1 million online per site. Our sales, marketing, agency partnership, and professional services teams all have organization structures dedicated to serving the needs of mid-market and large enterprise businesses. As of December 31, 2019, customers on our Enterprise plan generate approximately half of our ARR. These customers typically exhibit low churn and net revenue retention greater than 100%. Internet Retailer states that SaaS has now become the top choice of the largest U.S. retail ecommerce sites planning to re-platform, and we are aggressively positioning ourselves as the best SaaS solution for this segment.

Acquire new SMB customers. We target both established small businesses and start-ups committed to “make it big” on a platform that they will not outgrow. They exhibit lower churn and higher growth rates than do businesses that dabble in ecommerce. Established and complex businesses also place greater emphasis on the functionality, openness, and performance strengths of our platform. We have dedicated sales, marketing, and support organizations to serve the needs of SMBs. More than 70% of our SMB customers use a self-serve model and become customers without sales assistance.

Expand into new and emerging segments. We seek to extend into new and emerging segments within ecommerce, including the following segments that are significant areas of potential growth and strategic focus for us:

- **Headless commerce.** This refers to businesses whose technology strategy is to decouple their front-end customer experience technology from their back-end commerce platform. In terms of online strategy, these companies are typically brand-, marketing-, or experience-led. We serve headless use cases better than most of our competitors due to years of investment in our platform APIs and integration capabilities. Pre-built integrations connect our platform with leading CMSs, such as Acquia, Adobe, Bloomreach, Drupal, Sitecore, and WordPress.
- **B2B.** As of December 31, 2019, approximately 10% of our customers use BigCommerce primarily for B2B sales. In many cases, these customers’ needs are met using our native functionality, including B2B features like customer groups and price lists. In other cases, these customers complement BigCommerce with purpose-built B2B extensions and applications in the BigCommerce Apps Marketplace. Forrester Research rated BigCommerce a Strong Performer in The Forrester Wave: B2B Commerce Suites, Q2 2020. Over time, we intend to add more B2B functionality to both the BigCommerce Apps Marketplace and our native feature set.
- **Large enterprise.** Increasingly, we are successfully competing for large enterprise sites selling more than \$50 million annually online, with our Enterprise plan product feature set, along with our sales, marketing, solutioning, and service capabilities.

Expand internationally. We believe there is a significant opportunity to grow our business internationally. Businesses around the world increasingly value a SaaS ecommerce platform that delivers a combination of ease-of-use, enterprise functionality, and flexibility. As of June 24, 2020, 25% of our stores were located outside of the United States. In comparison, as of January 7, 2020, BuiltWith estimated that approximately 58% of ecommerce websites are outside of the United States. In July 2018, we launched our first dedicated European business team based in London and in January 2019, we launched our Asian presence in Singapore. The expansion in our regional business teams helped contribute to accelerating revenue growth in 2019 of 20% in EMEA and 28% in APAC. In addition to expanding our sales and marketing capabilities internationally, we are also enhancing our product and APIs to serve customers around the world.

Earn revenue share and customer referrals from our extensive partner ecosystem. Our marketplace of integrated application and technology solutions is one of the largest of any ecommerce platform. Partner

solutions span every major category of relevance to ecommerce, including payments, shipping, tax, accounting and ERP, marketing, fulfillment, and cross-channel commerce. Our strategy is to partner – not compete – with our ecosystem. Many of our strategic technology partners pay us a revenue share on their gross sales to our joint customers and/or collaborate to co-sell and co-market BigCommerce to new customers and our respective installed bases. Our customers benefit from the best-of-breed offerings of our partners, the flexibility to choose without penalty the best offer for their needs, and the tailored programs developed with our strategic technology partners. We intend to grow partner-sourced revenue by expanding the value and scope of existing partnerships, selling and marketing partner solutions to our customer base, and acquiring and cultivating new, high-value relationships.

Recent operating results (preliminary and unaudited)

Set forth below are preliminary estimates of selected unaudited financial and other information as of and for the three months ended June 30, 2020 and actual unaudited financial results for the three months ended June 30, 2019. Our unaudited interim consolidated financial statements for the three months ended June 30, 2020 are not yet available. The following information reflects our preliminary estimates based on currently available information and is subject to change. We have provided ranges, rather than specific amounts, for the preliminary estimates of the financial information described below primarily because our financial closing procedures for the three months ended June 30, 2020 are not yet complete and, as a result, our final results upon completion of our closing procedures may vary from the preliminary estimates. In addition, our historical results are not necessarily indicative of the results that should be expected in the future and our estimated results for the three months ended June 30, 2020 are not necessarily indicative of the results to be expected for the full year ending December 31, 2020 or any other future period. See “Risk Factors,” “Special Note Regarding Forward-Looking Statements,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” for additional information regarding factors that could result in differences between the preliminary estimated ranges of certain of our financial results and operating data presented below and the actual financial results and other information we will report for the three months ended June 30, 2020.

For the three months ended June 30, 2020:

- We expect revenue to be between \$35.5 million and \$35.8 million, representing an estimated increase of approximately 30.3% to 31.4% as compared to revenue of \$27.2 million for the three months ended June 30, 2019. We expect net loss to be between \$9.4 million and \$9.0 million, as compared to net loss of \$11.0 million for the three months ended June 30, 2019.
- We expect our ARR as of June 30, 2020 to be between \$150.9 million and \$151.2 million, representing an estimated increase of approximately 31.4% to 31.7% as compared to our ARR of \$114.8 million as of June 30, 2019.
- We expect adjusted EBITDA to be between \$(6.0) million and \$(5.7) million, as compared to adjusted EBITDA of \$(9.3) million for the three months ended June 30, 2019. Adjusted EBITDA is a financial measure not calculated in accordance with accounting principles generally accepted in the United States (“GAAP”). See “Selected Consolidated Financial Data—Non-GAAP financial measures” for information regarding our use of adjusted EBITDA.

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The following table reconciles adjusted EBITDA for the three months ended June 30, 2020 (estimated) and the three months ended June 30, 2019 (actual) to net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP:

	Three Months Ended June 30,		
	2019	2020	
	Actual	Low	High
	(in thousands) (unaudited)		
Net loss	\$(11,032)	\$(9,419)	\$(8,963)
Stock-based compensation expense	821	1,300	1,250
Depreciation and amortization	583	950	925
Interest income	(86)	(40)	(80)
Interest expense	410	1,200	1,165
Other adjustments	—	—	—
Provisions for income taxes	7	9	3
Adjusted EBITDA	<u>\$ (9,297)</u>	<u>\$ (6,000)</u>	<u>\$ (5,700)</u>

The estimates presented above have been prepared by, and are the responsibility of, management. The preliminary results presented reflect management's estimates based solely upon information available to us as of the date of this prospectus and is not a comprehensive statement of our financial results as of and for the three months ended June 30, 2020. Our independent registered public accounting firm, Ernst & Young LLP, has not audited, reviewed, compiled, or performed any procedures with respect to such preliminary information. Accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect thereto.

Risk factors

Investing in our Series 1 common stock involves substantial risks. Before you participate in this offering, you should carefully consider all of the information contained in this prospectus, including the information set forth under "Risk Factors." Some of the more significant risks include the following:

- We have a history of operating losses, and we may not be able to generate sufficient revenue to achieve and sustain profitability.
- Our future revenue and operating results will be harmed if we are unable to acquire new customers, retain existing customers, expand sales to our existing customers, or develop new functionality for our platform that achieves market acceptance.
- We face intense competition, especially from well-established companies offering solutions and related applications. We may lack sufficient financial or other resources to maintain or improve our competitive position, which may harm our ability to add new customers, retain existing customers, and grow our business.
- The COVID-19 pandemic and associated global economic uncertainty could materially adversely affect our business, financial condition, and results of operations.
- If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards, and changing customer needs or preferences, our platform may become less competitive.

- Our success depends in part on our partner-centric strategy. Our business would be harmed if we fail to maintain or expand partner relationships.
- The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate. Even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.
- To the extent our security measures are compromised, our platform may be perceived as not being secure. This may result in customers curtailing or ceasing their use of our platform, our reputation being harmed, our incurring significant liabilities, and adverse effects on our results of operations and growth prospects.
- Upon the completion of this offering, our directors, executive officers, and current beneficial owners of 5% or more of our voting securities and their respective affiliates will beneficially own, in the aggregate, approximately 71% of our outstanding Series 1 common stock, which may limit our stockholders' ability to influence corporate matters and delay or prevent a third party from acquiring control over us.
- We depend on third-party data hosting and transmission services. Increases in cost, interruptions in service, latency, or poor service from our third-party data center providers could impair the delivery of our platform. This could result in customer or shopper dissatisfaction, damage to our reputation, loss of customers, limited growth, and reduction in revenue.
- Evolving global internet laws, regulations and standards, privacy regulations, cross-border data transfer restrictions, and data localization requirements, may limit the use and adoption of our services, expose us to liability, or otherwise adversely affect our business.
- Our current operations are international in scope, and we plan further geographic expansion. This will create a variety of operational challenges.
- If our operating and financial performance in any given period does not meet the guidance that we provide or the expectations of investment analysts, the market price of our Series 1 common stock may decline.

Implications of being an emerging growth company

We qualify as an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). While we remain an emerging growth company, we are permitted and plan to rely on exemptions from certain disclosure requirements that are applicable to other public companies. These provisions include, but are not limited to:

- presenting only two years of audited financial statements and only two years of related selected financial data in "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- an exemption from compliance with the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, as amended;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;

- reduced disclosure obligations regarding executive compensation arrangements in our periodic reports, registration statements and proxy statements; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We have elected to take advantage of certain reduced disclosure obligations in this prospectus and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our stockholders may be different from what you might receive from other public reporting companies that are not emerging growth companies and in which you hold equity interests.

In addition, the JOBS Act permits emerging growth companies to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing to “opt out” of this provision and to comply with new or revised accounting standards as required of publicly-traded companies generally. This decision to opt out of the extended transition period is irrevocable.

We will remain an emerging growth company until the earliest of: (i) the end of the fiscal year in which the fifth anniversary of the closing of this offering occurs, (ii) the first fiscal year after our annual revenue exceeds \$1.07 billion, (iii) the date on which we have, during the immediately preceding three-year period, issued more than \$1.0 billion in non-convertible debt securities, and (iv) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeds \$700 million as of the end of the second quarter of that fiscal year.

Corporate information

We were formed in Australia in December 2003 under the name Interspire Pty Ltd and reorganized into a corporation in Delaware under the name BigCommerce Holdings, Inc. in February 2013. Our headquarters and principal executive offices are located at 11305 Four Points Drive, Building II, Third Floor, Austin, Texas 78726. Our telephone number is (512) 865-4500. Our corporate website address is www.BigCommerce.com. The information contained in, or that can be accessed through, our website is not incorporated by reference in and is not part of this prospectus. Investors should not rely on any such information in deciding whether to purchase our Series 1 common stock.

“BigCommerce,” our logo, and other trademarks or trade names of BigCommerce Holdings, Inc. appearing in this prospectus are our property. This prospectus also contains trademarks and trade names of other companies, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and trade names.

The Offering

Series 1 common stock offered by us	6,850,000 shares of Series 1 common stock (or 7,877,500 shares if the underwriters' option to purchase additional shares of Series 1 common stock is exercised in full).
Underwriters' option to purchase additional shares	We have granted the underwriters the option to purchase up to an additional 1,027,500 shares of Series 1 common stock.
Series 1 common stock to be outstanding after giving effect to this offering	60,792,991 shares (or 61,820,491 shares if the underwriters' option to purchase additional shares of Series 1 common stock is exercised in full).
Series 2 common stock to be outstanding after giving effect to this offering	5,050,555 shares.
Total Series 1 and Series 2 common stock to be outstanding after giving effect to this offering	65,843,546 shares (or 66,871,046 shares if the underwriters' option to purchase additional shares of Series 1 common stock is exercised in full).
Use of proceeds	<p>We estimate that our net proceeds from this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately \$117.2 million (or \$135.3 million if the underwriters' option to purchase additional shares of Series 1 common stock is exercised in full) based upon an assumed initial public offering price of \$19.00 per share of Series 1 common stock, which is the midpoint of the estimated price range set forth on the cover page of this prospectus.</p> <p>We intend to use the net proceeds from this offering:</p> <ul style="list-style-type: none">• to pay, in cash, dividends on our outstanding shares of Series F preferred stock, which have accumulated at a rate of 10% per annum of the original issue price of each such share (the "Series F Dividend"), and which is expected to total \$16.4 million as of the closing of this offering, \$13.6 million of which was accrued as of March 31, 2020; and• for working capital and general corporate purposes, including sales and marketing, research and development, general and administrative matters, and capital expenditures.

	<p>As a result of the anticipated payment of the Series F Dividend, certain of our beneficial owners of 5% or more of the outstanding shares of voting securities and their affiliated entities who are holders of our Series F preferred stock are expected to receive approximately \$0.4 million of the net proceeds of this offering.</p>
	<p>See “Use of Proceeds.”</p>
Dividend policy	<p>We have no current plans to pay dividends on our Series 1 common stock. Any future determination to pay dividends will be made at the discretion of our board of directors and will depend on a variety of factors, including applicable laws, our financial condition, results of operations, contractual restrictions, capital requirements, business prospects, general business or financial market conditions and other factors that our board of directors may deem relevant. See “Dividend Policy.”</p>
Listing	<p>We have applied to list our Series 1 common stock on the Nasdaq Global Market (“Nasdaq”) under the symbol “BIGC.”</p>
Risk factors	<p>Investing in our Series 1 common stock involves substantial risks. See “Risk Factors” for a discussion of risks you should carefully consider before deciding to invest in our Series 1 common stock.</p>
<p>The number of shares of our Series 1 common stock and Series 2 common stock to be outstanding after this offering is based on 53,942,991 shares of our Series 1 common stock and 5,050,555 shares of Series 2 common stock outstanding as of March 31, 2020 and unless otherwise stated assumes the following:</p>	
<ul style="list-style-type: none">• the automatic conversion of all of the outstanding shares of our preferred stock (excluding the shares of Series F preferred stock issuable upon the conversion of the 2017 Convertible Term Loan and the exercise of the Purchase Right (described below)) into an aggregate of 29,390,733 shares of Series 1 common stock and 5,050,555 shares of Series 2 common stock immediately prior to the closing of this offering;• the conversion of the 2017 Convertible Term Loan (as defined in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”) into an aggregate of 6,170,316 shares of our Series F preferred stock, at a conversion price of \$3.059 per share, and the automatic conversion of such shares into 2,056,772 shares of Series 1 common stock, immediately prior to the closing of this offering;• the exercise of the Purchase Right (as defined in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”) for the purchase of 367,766 shares of our Series F preferred stock at a purchase price of \$3.059, and the automatic conversion of such shares into 122,588 shares of Series 1 common stock immediately prior to the closing of this offering;	

- the conversion of the 2020 Convertible Term Loan (as defined in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”) into an aggregate of 3,070,174 shares of our Series 1 common stock, at an as-adjusted conversion price of \$11.40 per share, immediately prior to the closing of this offering; and
- the one-for-three reverse stock split of our Series 1 common stock and Series 2 common stock effected on July 24, 2020.

The foregoing excludes:

- 9,436,981 shares of Series 1 common stock issuable upon the exercise of options outstanding as of March 31, 2020 under our 2013 Stock Option Plan (the “2013 Plan”), at a weighted-average exercise price of \$2.94 per share;
- 2,832,664 shares of Series 1 common stock available for issuance under our 2013 Plan as of March 31, 2020, which shall be added to the number of shares reserved for issuance under our 2020 Plan upon termination of the 2013 Plan in connection with this offering and of which we have granted options to purchase 318,495 shares of Series 1 common stock and restricted stock units representing 1,215,890 shares of our Series 1 common stock subsequent to March 31, 2020;
- 411,268 shares of Series 1 common stock issuable upon the exercise of warrants outstanding as of March 31, 2020, with a weighted-average exercise price of \$4.24 per share;
- 3,873,885 shares of Series 1 common stock initially reserved for issuance under our 2020 Equity Incentive Plan (the “2020 Plan”), which will become effective in connection with this offering, as well as shares of our Series 1 common stock that may be issued pursuant to provisions in our 2020 Plan that automatically increase the Series 1 common stock reserve under our 2020 Plan; and
- 1,936,943 shares of Series 1 common stock reserved for issuance under our 2020 Employee Stock Purchase Plan (the “2020 ESPP”), which will become effective in connection with this offering, as well as shares of our Series 1 common stock that may be issued pursuant to provisions in our 2020 ESPP that automatically increase the Series 1 common stock reserve under our 2020 ESPP.

Except as otherwise indicated, all information in this prospectus assumes or gives effect to:

- no exercise of the outstanding options described above after March 31, 2020;
- no exercise of the outstanding warrants described above after March 31, 2020;
- no conversion of any shares of Series 2 common stock into shares of Series 1 common stock after March 31, 2020;
- no exercise by the underwriters of their option to purchase up to an additional 1,027,500 shares of our Series 1 common stock in this offering;
- the filing and effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws immediately prior to the closing of this offering; and
- an initial public offering price of \$19.00 per share of Series 1 common stock, which is the midpoint of the range set forth on the cover page of this prospectus.

One or more entities affiliated with Tiger Global have indicated an interest in purchasing up to a maximum of 20% of the shares of Series 1 common stock offered in this offering at the initial public offering price. This indication of interest is not a binding agreement or commitment to purchase. As a result, Tiger Global could determine to purchase more, less, or no shares in this offering, or the underwriters could determine to sell more, less, or no shares to Tiger Global. The underwriters will receive the same discount on any of the shares sold to Tiger Global as they will from any other shares sold to the public in the offering.

Summary Consolidated Financial Data

The following tables present summary financial data for our business for the periods indicated. We have derived the consolidated statement of operations data for the years ended December 31, 2018 and 2019 from our audited consolidated financial statements appearing elsewhere in this prospectus. We have derived the consolidated statement of operations data for the three months ended March 31, 2019 and 2020 and the consolidated balance sheet data as of March 31, 2020 from our unaudited consolidated financial statements appearing elsewhere in this prospectus. In the opinion of management, the unaudited data reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial information in those statements. Our historical results are not necessarily indicative of the results that should be expected in the future and the results for the three months ended March 31, 2020 are not necessarily indicative of the results to be expected for the full year ending December 31, 2020 or any other future period. You should read the following summary consolidated financial data together with our consolidated financial statements and the related notes appearing elsewhere in this prospectus and the “Selected Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of this prospectus.

	Year Ended December 31,		Three Months Ended March 31,	
	2018	2019	2019	2020
(in thousands, except per share amounts)				
Consolidated Statement of Operations Data:				
Revenue	\$ 91,867	\$ 112,103	\$ 25,584	\$ 33,174
Cost of revenue ⁽¹⁾	21,937	27,023	5,925	7,480
Gross profit	69,930	85,080	19,659	25,694
Operating expenses:				
Sales and marketing ⁽¹⁾	45,928	60,740	14,136	15,762
Research and development ⁽¹⁾	42,485	43,123	10,832	10,921
General and administrative ⁽¹⁾	19,497	22,204	4,999	6,466
Total operating expenses	107,910	126,067	29,967	33,149
Loss from operations	(37,980)	(40,987)	(10,308)	(7,455)
Interest income	653	245	155	1
Interest expense	(1,489)	(1,612)	(360)	(762)
Change in fair value of financial instruments	—	—	—	4,413
Other expense	(52)	(208)	(21)	(203)
Loss before provision for income taxes	(38,868)	(42,562)	(10,534)	(4,006)
Provision for income taxes	10	28	7	17
Net loss	\$ (38,878)	\$ (42,590)	\$ (10,541)	\$ (4,023)
Cumulative dividends and accretion of issuance costs on Series F preferred stock	(4,712)	(7,308)	(1,736)	(1,745)
Net loss attributable to common stockholders	\$ (43,590)	\$ (49,898)	\$ (12,277)	\$ (5,768)
Basic and diluted net loss per share attributable to common stockholders ⁽²⁾	\$ (2.59)	\$ (2.80)	\$ (0.70)	\$ (0.31)
Weighted-average number of shares used to compute basic and diluted net loss per share attributable to common stockholders ⁽²⁾	16,807	17,834	17,487	18,645
Basic and diluted pro forma net loss per share attributable to Series 1 and Series 2 common stockholders ⁽³⁾		\$ (0.75)		\$ (0.06)
Weighted-average number of shares used to compute pro forma net loss per share attributable to Series 1 and Series 2 common stockholders, basic and diluted ⁽³⁾		55,120		57,128

- (1) Includes stock-based compensation expense as follows:

	Year Ended December 31,		Three Months Ended March 31,	
	2018	2019	2019	2020
	(in thousands)			
Cost of revenue	\$ 82	\$ 191	\$ 22	\$ 73
Sales and marketing	388	838	133	289
Research and development	432	666	71	305
General and administrative	1,169	1,461	369	359
Total stock-based compensation expense	<u>\$ 2,071</u>	<u>\$ 3,156</u>	<u>\$ 595</u>	<u>\$ 1,026</u>

- (2) See Note 11 to our audited consolidated financial statements appearing at the end of this prospectus for an explanation of the calculations of basic and diluted net loss per share attributable to common stockholders.
- (3) See Note 11 to our audited consolidated financial statements appearing at the end of this prospectus for an explanation of the calculations of pro forma basic and diluted net loss per share attributable to common stockholders.

In addition to our consolidated statement of operations data as determined in accordance with GAAP, we believe the following non-GAAP measure is useful in evaluating our business performance.

	Year Ended December 31,		Three Months Ended March 31,	
	2018	2019	2019	2020
	(in thousands)			
Other Financial Data:				
Adjusted EBITDA ⁽¹⁾	\$ (34,117)	\$ (35,470)	\$ (9,201)	\$ (5,725)

- (1) This financial measure is not calculated in accordance with GAAP. See “Selected Financial Data—Non-GAAP financial measures” for information regarding our use of this non-GAAP financial measure and a reconciliation of such measure to its nearest comparable financial measure calculated and presented in accordance with GAAP.

	As of March 31, 2020		
	Actual	Pro forma ⁽¹⁾	Pro forma as adjusted ⁽²⁾
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 33,026	\$ 17,670	\$ 134,859
Working capital ⁽³⁾	25,544	10,513	127,702
Total assets	82,048	66,692	183,880
Total liabilities	118,257	69,394	69,394
Convertible preferred stock	225,499	—	—
Total stockholders’ (deficit) equity	(261,708)	(2,702)	114,486

- (1) The pro forma consolidated balance sheet data give effect to: (i) the automatic conversion of all outstanding shares of preferred stock (excluding the shares of Series F preferred stock issuable upon conversion of the 2017 Convertible Term Loan and the exercise of the Purchase Right) into an aggregate of 29,390,733 shares of Series 1 common stock and 5,050,555 shares of Series 2 common stock immediately prior to the closing of this offering, (ii) the conversion of our 2017 Convertible Term Loan into Series F preferred stock, and the automatic conversion of such shares into 2,056,772 shares of Series 1 common stock immediately prior to the closing of this offering, (iii) the exercise of the Purchase Right at the option of the lenders under our 2017 Convertible Term Loan for the purchase of Series F preferred stock, and the automatic conversion of such shares into 122,588 shares of Series 1 common stock, immediately prior to the closing of this offering, (iv) the conversion of our 2020 Convertible Term Loan into 3,070,174 shares of Series 1

common stock, immediately prior to the closing of this offering, and (v) the payment in cash of the Series F Dividend immediately prior to the closing of this offering, which is expected to total \$16.4 million as of the closing of this offering.

- (2) The pro forma as adjusted consolidated balance sheet data give further effect to our issuance and sale of shares of Series 1 common stock in this offering at an assumed initial public offering price of \$19.00 per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. Each \$1.00 increase (decrease) in the assumed initial public offering price of \$19.00 per share of Series 1 common stock, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets, and total stockholders' (deficit) equity by \$6.4 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets, and total stockholders' (deficit) equity by \$17.7 million, assuming no change in the assumed initial public offering price per share and after deducting estimated underwriting discounts and commissions.

- (3) We define working capital as current assets less current liabilities.

Risk Factors

The following section discusses material risks and uncertainties that could adversely affect our business and financial condition. Investing in our Series 1 common stock involves substantial risks. You should carefully consider the following risk factors, as well as all of the other information contained in this prospectus, including “Management’s Discussion and Analysis of the Financial Condition and Results of Operations” and the consolidated financial statements and related notes thereto included elsewhere in this prospectus, before deciding to invest in our Series 1 common stock. Additional risks and uncertainties that we are unaware of may also become important factors that adversely affect our business. The occurrence of any of the following risks, or additional risks that we are unaware of, could materially and adversely affect our business, strategies, prospects, financial condition, results of operations and cash flows. In such case, the market price of our Series 1 common stock could decline, and you could lose all or part of your investment.

Risks related to our business and industry

We have a history of operating losses, and we may not be able to generate sufficient revenue to achieve and sustain profitability.

We have not yet achieved profitability. We incurred net losses of \$42.6 million and \$4.0 million for the year ended December 31, 2019 and the three months ended March 31, 2020, respectively, as compared to \$38.9 million and \$10.5 million for the year ended December 31, 2018 and the three months ended March 31, 2019, respectively. As of March 31, 2020, we had an accumulated deficit of \$280.7 million. While we have experienced significant revenue growth over recent periods, we may not be able to sustain or increase our growth or achieve profitability in the future. We intend to continue to invest in sales and marketing efforts, research and development, and expansion into new geographies. In addition, we expect to incur significant additional legal, accounting, and other expenses related to our being a public company as compared to when we were a private company. While our revenue has grown in recent years, if our revenue declines or fails to grow at a rate faster than these increases in our operating expenses, we will not be able to achieve and maintain profitability in future periods. As a result, we may continue to generate losses. We cannot assure you that we will achieve profitability in the future or that, if we do become profitable, we will be able to sustain profitability. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays, and other unknown factors that may result in losses in future periods. If these losses exceed our expectations or our revenue growth expectations are not met in future periods, our financial performance will be harmed.

We have experienced strong growth in recent periods, and our recent growth rates may not be indicative of our future growth.

We have experienced strong growth in recent years. Our revenue was \$112.1 million and \$33.2 million for the year ended December 31, 2019 and the three months ended March 31, 2020, respectively, as compared to \$91.9 million and \$25.6 million for the year ended December 31, 2018 and the three months ended March 31, 2019, respectively. In future periods, we may not be able to sustain revenue growth consistent with recent history, or at all. We believe our revenue growth depends on a number of factors, including:

- our ability to attract new customers and retain and increase sales to existing customers;
- our ability to maintain and expand our relationships with our partners;
- our ability to, and the ability of our partners to, successfully implement our platform, increase our existing customers’ use of our platform, and provide our customers with excellent customer support;
- our ability to increase the number of our partners;
- our ability to develop our existing platform and introduce new functionality to our platform;

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- our ability to expand into new market segments and internationally; and
- our ability to earn revenue share and customer referrals from our partner ecosystem.

We may not accomplish any of these objectives and, as a result, it is difficult for us to forecast our future revenue or revenue growth. If our assumptions are incorrect or change in reaction to changes in our market, or if we are unable to maintain consistent revenue or revenue growth, our stock price could be volatile, and it may be difficult to achieve and maintain profitability. You should not rely on our revenue for any prior periods as any indication of our future revenue or revenue growth.

In addition, the catalyst for our revenue growth rate acceleration during the first quarter of 2020 was partner and service revenue, which increased 51.8% versus the same quarter in 2019. We may not be able to sustain such growth rates in the future.

Our future revenue and operating results will be harmed if we are unable to acquire new customers, retain existing customers, expand sales to our existing customers, or develop new functionality for our platform that achieves market acceptance.

To continue to grow our business, it is important that we continue to acquire new customers to purchase and use our platform. Our success in adding new customers depends on numerous factors, including our ability to: (1) offer a compelling ecommerce platform, (2) execute our sales and marketing strategy, (3) attract, effectively train and retain new sales, marketing, professional services, and support personnel in the markets we pursue, (4) develop or expand relationships with partners, payment providers, systems integrators, and resellers, (5) expand into new geographies and market segments, (6) efficiently onboard new customers on to our platform, and (7) provide additional paid services that complement the capabilities of our customers and their partners.

Our ability to increase revenue also depends in part on our ability to retain existing customers and to sell more functionality and adjacent services to our existing and new customers. Our customers have no obligation to renew their subscriptions for our solutions after the expiration of their initial subscription period. In order for us to maintain or improve our results of operations, it is important that our customers renew their subscriptions with us on the same or more favorable terms to us. Our ability to increase sales to existing customers depends on several factors, including their experience with implementing and using our platform, their ability to integrate our platform with other technologies, and our pricing model.

Our ability to generate revenue may be inconsistent across SMB, mid-market, and large enterprise customers. If we experience limited or inconsistent growth in any of these customer sets, particularly our mid-market and large enterprise customers, our business, financial condition, and operating results could be adversely affected.

If we are unable to provide enhancements, new features, or keep pace with current technological developments, our business could be adversely affected. If our new functionality and services initiatives do not continue to achieve acceptance in the market, our competitive position may be impaired, and our potential to generate new revenue or to retain existing revenue could be diminished. The adverse effect on our financial results may be particularly acute because of the significant research, development, marketing, sales, and other expenses we will have incurred in connection with the new functionality and services.

We face intense competition, especially from well-established companies offering solutions and related applications. We may lack sufficient financial or other resources to maintain or improve our competitive position, which may harm our ability to add new customers, retain existing customers, and grow our business.

The market for ecommerce solutions is evolving and highly competitive. We expect competition to increase in the future from established competitors and new market entrants. With the introduction of new technologies

and the entry of new companies into the market, we expect competition to persist and intensify in the future. This could harm our ability to increase sales, maintain or increase renewals, and maintain our prices. We face intense competition from other software companies that may offer related ecommerce platform software solutions and services. Our competitors include larger companies that have acquired ecommerce platform solution providers in recent years. We also compete with custom software internally developed within ecommerce businesses. In addition, we face competition from niche companies that offer point products that attempt to address certain of the problems that our platform solves.

Merger and acquisition activity in the technology industry could increase the likelihood that we compete with other large technology companies. Many of our existing competitors have, and our potential competitors could have, substantial competitive advantages such as greater name recognition, longer operating histories, larger sales and marketing budgets and resources, greater customer support resources, lower labor and development costs, larger and more mature intellectual property portfolios, and substantially greater financial, technical and other resources.

Some of our larger competitors also have substantially broader product lines and market focus and will therefore not be as susceptible to downturns in a particular market. Conditions in our market could change rapidly and significantly as a result of technological advancements, partnering by our competitors, or continuing market consolidation. New start-up companies that innovate, and large companies that are making significant investments in research and development, may invent similar or superior products and technologies that compete with our platform. In addition, some of our competitors may enter into new alliances with each other or may establish or strengthen cooperative relationships with agency partners, technology and application providers in complementary categories, or other parties. Furthermore, ecommerce on large marketplaces, such as Amazon, could increase as a percentage of all ecommerce activity, thereby reducing customer traffic to individual merchant websites. Any such consolidation, acquisition, alliance or cooperative relationship could lead to pricing pressure, a loss of market share, or a smaller addressable share of the market. It could also result in a competitor with greater financial, technical, marketing, service, and other resources, all of which could harm our ability to compete.

Some of our larger competitors use broader product offerings to compete, including by selling at zero or negative margins, by bundling their product, or by closing access to their technology platforms. Potential customers may prefer to purchase from their existing suppliers rather than a new supplier regardless of product performance or features. Furthermore, potential customers may be more willing to incrementally add solutions to their existing infrastructure from competitors than to replace their existing infrastructure with our platform. These competitive pressures in our market, or our failure to compete effectively, may result in price reductions, fewer orders, reduced revenue and gross margins, increased net losses, and loss of market share. Any failure to meet and address these factors could harm our business, results of operations, and financial condition.

The COVID-19 pandemic could materially adversely affect our business, financial condition and results of operations.

The COVID-19 pandemic, the measures attempting to contain and mitigate the effects of the COVID-19 pandemic, including stay-at-home, business closure, and other restrictive orders, and the resulting changes in consumer behaviors, have disrupted our normal operations and impacted our employees, suppliers, partners, and customers. We expect these disruptions and impacts to continue. In response to the COVID-19 pandemic, we have taken a number of actions that have impacted and continue to impact our business, including transitioning employees across all our offices (including our corporate headquarters) to remote work-from-home arrangements and imposing travel and related restrictions. While we believe these actions were reasonable and necessary as a result of the COVID-19 pandemic, they were disruptive to our business and could adversely impact our results of operations. Given the continued spread of COVID-19 and the resultant personal, economic, and governmental reactions, we may have to take additional actions in the future that could harm our business, financial condition, and results of operations. While we have a distributed workforce and our employees are accustomed to working

remotely or working with other remote employees, our workforce has not historically been fully remote. Prior to the COVID-19 pandemic, certain of our employees traveled frequently to establish and maintain relationships with one another and with our customers, partners, and investors. We continue to monitor the situation and may adjust our current policies as more information and guidance become available. Suspending travel and doing business in-person on a long-term basis could negatively impact our marketing efforts, our ability to enter into customer contracts in a timely manner, our international expansion efforts and our ability to recruit employees across the organization. These changes could negatively impact our sales and marketing in particular, which could have longer-term effects on our sales pipeline, or create operational or other challenges as our workforce remains predominantly remote, any of which could harm our business. In addition, our management team has spent, and will likely continue to spend, significant time, attention, and resources monitoring the COVID-19 pandemic and associated global economic uncertainty and seeking to manage its effects on our business and workforce.

The degree to which COVID-19 will affect our business and results of operations will depend on future developments that are highly uncertain and cannot currently be predicted. These developments include but are not limited to the duration, extent, and severity of the COVID-19 pandemic, actions taken to contain the COVID-19 pandemic, the impact of the COVID-19 pandemic and related restrictions on economic activity and domestic and international trade, and the extent of the impact of these and other factors on our employees, suppliers, partners, and customers. The COVID-19 pandemic and related restrictions could limit our customers' ability to continue to operate (limiting their abilities to obtain inventory, generate sales, or make timely payments to us). It could disrupt or delay the ability of employees to work because they become sick or are required to care for those who become sick, or for dependents for whom external care is not available. It could cause delays or disruptions in services provided by key suppliers and vendors, increase vulnerability of us and our partners and service providers to security breaches, denial of service attacks or other hacking or phishing attacks, or cause other unpredictable effects.

The COVID-19 pandemic also has caused heightened uncertainty in the global economy. If economic conditions further deteriorate, consumers may not have the financial means to make purchases from our customers and may delay or reduce discretionary purchases, negatively impacting our customers and our results of operations. Uncertainty from the pandemic may cause prospective or existing customers to defer investment in e-commerce. Our SMB customers may be more susceptible to general economic conditions than larger businesses, which may have greater liquidity and access to capital. Uncertain and adverse economic conditions also may lead to increased refunds and chargebacks. Since the impact of COVID-19 is ongoing, the effect of the COVID-19 pandemic and the related impact on the global economy may not be fully reflected in our results of operations until future periods. Volatility in the capital markets has been heightened during recent months and such volatility may continue, which may cause declines in the price of our Series 1 common stock.

Further, to the extent there is a sustained general economic downturn and our software is perceived by customers and potential customers as costly, or too difficult to deploy or migrate to, our revenue may be disproportionately affected by delays or reductions in general information technology spending. Competitors, many of whom are larger and more established than we are, may respond to market conditions by lowering prices and attempting to lure away our customers. In addition, the increased pace of consolidation in certain industries may result in reduced overall spending on our subscription offerings and related services. We cannot predict the timing, strength, or duration of any economic slowdown, instability, or recovery, generally or within any particular industry. If the economic conditions of the general economy or markets in which we operate worsen from present levels, our business, results of operations, and financial condition could be materially and adversely affected.

If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards, and changing customer needs or preferences, our platform may become less competitive.

The software industry is subject to rapid technological change, evolving industry standards and practices, and changing customer needs and preferences. The success of our business will depend, in part, on our ability to

adapt and respond effectively to these changes on a timely basis. If we are unable to develop and sell new technology, features, and functionality for our platform that satisfy our customers and that keep pace with rapid technological and industry change, our revenue and operating results could be adversely affected. If new technologies emerge that deliver competitive solutions at lower prices, more efficiently, more conveniently, or more securely, it could adversely impact our ability to compete.

Our platform must also integrate with a variety of network, hardware, mobile, and software platforms and technologies. We need to continuously modify and enhance our platform to adapt to changes and innovation in these technologies. If businesses widely adopt new ecommerce technologies, we would have to develop new functionality for our platform to work with those new technologies. This development effort may require significant engineering, marketing and sales resources, all of which would affect our business and operating results. Any failure of our platform to operate effectively with future technologies could reduce the demand for our platform. If we are unable to respond to these changes in a cost-effective manner, our platform may become less marketable and less competitive or obsolete, and our operating results may be negatively affected.

Our success depends in part on our partner-centric strategy. Our business would be harmed if we fail to maintain or expand partner relationships.

Strategic technology partners are essential to our open strategy. A significant percentage of our customers choose to integrate our ecommerce platform with third-party application providers using our open APIs and software development kits. The functionality and popularity of our platform depends, in part, on our ability to integrate our platform with third-party applications and platforms, including marketplaces and social media sites. We are dependent on strategic technology partner solutions for major ecommerce categories, including payments, shipping, tax, accounting, ERP, marketing, fulfillment, cross-channel commerce, and POS. We will continue to depend on various third-party relationships to sustain and grow our business. Third-party application providers' sites may change the features of their applications and platforms or alter their governing terms. They may restrict our ability to add, customize or integrate systems, functionality and shopper experiences. Such changes could limit or terminate our ability to use these third-party applications and platforms and provide our customers a highly extensible and customizable experience. This could negatively impact our offerings and harm our business. Marketplaces or social networks that have allow limited integration into their platforms, such as Amazon, eBay, Facebook and Instagram, may discontinue our access or allow other platforms to integrate or integrate more easily. This would increase competition for ecommerce platforms across their solutions. Our business will be negatively impacted if we fail to retain these relationships for any reason, including due to third parties' failure to support or secure their technology or our integrations; errors, bugs, or defects in their technology; or changes in our platform. Any such failure could harm our relationship with our customers, our reputation and brand, our revenue, our business, and our results of operations.

Strategic technology partners and third parties may not be successful in building integrations, co-marketing our platform to provide a significant volume and quality of lead referrals, or continuing to work with us as their products evolve. Identifying, negotiating and documenting relationships with additional strategic technology partners requires significant resources. Integrating third-party technology can be complex, costly and time-consuming. Third parties may be unwilling to build integrations. We may be required to devote additional resources to develop integrations for business applications on our own. Providers of business applications with which we have integrations may decide to compete with us or enter into arrangements with our competitors, resulting in such providers withdrawing support for our integrations. Any failure of our platform to operate effectively with business applications could reduce the demand for our platform, resulting in customer dissatisfaction and harm to our business. If we are unable to respond to these changes or failures in a cost-effective manner, our platform may become less marketable, less competitive, or obsolete, and our results of operations may be negatively impacted.

We have strategic technology partnerships with third parties that pay us a revenue share on their gross sales to our joint customers and/or collaborate to co-sell and co-market BigCommerce to new customers. Certain of

those strategic technology partners generate significant revenue for us, including PayPal, Google, and Stripe. While our contracts with strategic technology partners generally limit the ability of such partners to terminate the contract for convenience on short notice, certain of our strategic technology partners have termination for convenience clauses in their contracts with us. If our relationships with our strategic technology partners are disrupted, we may receive less revenue and incur costs to form other revenue-generating strategic technology partnerships. If our strategic technology partners were to be acquired by a competitor or were to acquire a competitor, it could compromise these relationships. This could harm our relationship with our customers, our reputation and brand, and our business and results of operations.

We are unable to track revenue-sharing on a real-time basis for some strategic technology partners, which can lead to delays and inaccuracies in reporting in accounting and revenue. In the past we have had, and could have in the future, disagreements with certain of our strategic technology partners on the amount of revenue share we are owed. Our forecasts for revenue-sharing arrangements and collaborations may be inaccurate. If we fail to accurately forecast the amount of revenue generated from our strategic technology partner relationships, our business and results of operations may be negatively impacted.

We leverage the sales and referral resources of agency and referral partners through a variety of programs. If we are unable to effectively utilize, maintain and expand these relationships, our revenue growth would slow, we would need to devote additional resources to the development, sales, and marketing of our platform, and our financial results and future growth prospects would be harmed. Our referral partners may demand greater referral fees or commissions.

We have a limited operating history, which makes it difficult to forecast our future results of operations.

We launched in 2009 and in 2015 expanded our strategic focus to include mid-market and large enterprise customers. We have a limited operating history and limited time implementing our strategic focus on the mid-market and large enterprise segments. As a result, our ability to accurately forecast our future results of operations is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. The market for our ecommerce platform is relatively new and evolving, which makes our business and future prospects difficult to evaluate. It is difficult to predict customer demand for our platform, customer retention and expansion rates, the size and growth rate of the market, the entry of competitive products, or the success of existing competitive products. Our historical revenue growth should not be considered indicative of our future performance. In future periods, our revenue growth could slow or our revenue could decline for a number of reasons, including slowing demand for our services, increasing competition, changing technology, decreasing growth of our market, or our failure, for any reason, to take advantage of growth opportunities. We will continue to encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries. If our assumptions regarding these risks, uncertainties, or future revenue growth are incorrect, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, and our business could suffer.

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate. Even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.

The market for ecommerce solutions is relatively new and will experience changes over time. Ecommerce market estimates and growth forecasts are uncertain and based on assumptions and estimates that may be inaccurate. Our addressable market depends on a number of factors, including businesses' desire to differentiate themselves through ecommerce, partnership opportunities, changes in the competitive landscape, technological changes, data security or privacy concerns, customer budgetary constraints, changes in business practices, changes in the regulatory environment, and changes in economic conditions. Our estimates and forecasts relating to the size and expected growth of our market may prove to be inaccurate and our ability to produce accurate estimates and forecasts may be impacted by the economic uncertainty associated with the COVID-19 pandemic.

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Even if the market in which we compete meets the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, if at all.

If we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of service and customer satisfaction or adequately address competitive challenges.

We may continue to experience rapid growth and organizational change, which may continue to place significant demands on our management and our operational and financial resources. We have also experienced growth in the number of customers, the amount of transactions we process, and the amount of data that our hosting infrastructure supports. Our success will depend in part on our ability to manage this growth effectively. We will require significant capital expenditures and valuable management resources to grow without undermining our culture of innovation, teamwork, and attention to customer success, which has been central to our growth so far. If we fail to manage our anticipated growth and change in a manner that preserves our corporate culture, it could negatively affect our reputation and ability to retain and attract customers and employees.

We intend to expand our international operations in the future. Our expansion will continue to place a significant strain on our managerial, administrative, financial, and other resources. If we are unable to manage our growth successfully, our business and results of operations could suffer.

It is important that we maintain a high level of customer service and satisfaction as we expand our business. As our customer base continues to grow, we will need to expand our account management, customer service, and other personnel. Failure to manage growth could result in difficulty or delays in launching our platform, declines in quality or customer satisfaction, increases in costs, difficulties in introducing new features, or other operational difficulties. Any of these could adversely impact our business performance and results of operations.

Failure to effectively develop and expand our marketing and sales capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our platform. If we are not able to generate traffic to our website through digital marketing our ability to attract new customers may be impaired.

Our ability to increase our customer base and achieve broader market acceptance of our ecommerce platform will depend on our ability to expand our marketing and sales operations. We plan to continue expanding our sales force and strategic partners, both domestically and internationally. We also plan to dedicate significant resources to sales and marketing programs, including search engine and other online advertising. The effectiveness of our online advertising may continue to vary due to competition for key search terms, changes in search engine use, and changes in search algorithms used by major search engines and other digital marketing platforms. Our business and operating results will be harmed if our sales and marketing efforts do not generate a corresponding increase in revenue. We may not achieve anticipated revenue growth from expanding our sales force if we are unable to hire, develop, and retain talented sales personnel, if our new sales personnel are unable to achieve desired productivity levels in a reasonable period of time, or if our sales and marketing programs are not effective.

If the cost of marketing our platform over search engines or other digital marketing platforms increases, our business and operating results could be adversely affected. Competitors also may bid on the search terms that we use to drive traffic to our website. Such actions could increase our marketing costs and result in decreased traffic to our website.

Furthermore, search engines and digital marketing platforms may change their advertising policies from time to time. If these policies delay or prevent us from advertising through these channels, it could result in reduced traffic to our website and subscriptions to our platform. New search engines and other digital marketing platforms may develop, particularly in specific jurisdictions, that reduce traffic on existing search engines and digital marketing platforms. If we are not able to achieve prominence through advertising or otherwise, we may

not achieve significant traffic to our website through these new platforms and our business and operating results could be adversely affected.

To the extent our security measures are compromised, our platform may be perceived as not being secure. This may result in customers curtailing or ceasing their use of our platform, our reputation being harmed, our incurring significant liabilities, and adverse effects on our results of operations and growth prospects.

Our operations involve the storage and transmission of customer and shopper data or information. Cyberattacks and other malicious internet-based activity continue to increase, and cloud-based platform providers of services are expected to continue to be targeted. Threats include traditional computer “hackers,” malicious code (such as viruses and worms), employee theft or misuse and denial-of-service attacks. Sophisticated nation-states and nation-state supported actors now engage in such attacks, including advanced persistent threat intrusions. Despite significant efforts to create security barriers to such threats, it is virtually impossible for us to entirely mitigate these risks. If our security measures are compromised as a result of third-party action, employee or customer error, malfeasance, stolen or fraudulently obtained log-in credentials, or otherwise, our reputation could be damaged, our business may be harmed, and we could incur significant liability. We may be unable to anticipate or prevent techniques used to obtain unauthorized access or to compromise our systems because they change frequently and are generally not detected until after an incident has occurred. As we rely on third-party and public-cloud infrastructure, we will depend in part on third-party security measures to protect against unauthorized access, cyberattacks, and the mishandling of customer data. A cybersecurity event could have significant costs, including regulatory enforcement actions, litigation, litigation indemnity obligations, remediation costs, network downtime, increases in insurance premiums, and reputational damage. Many companies that provide cloud-based services have reported a significant increase in cyberattack activity since the beginning of the COVID-19 pandemic.

We depend on third-party data hosting and transmission services. Increases in cost, interruptions in service, latency, or poor service from our third-party data center providers could impair the delivery of our platform. This could result in customer or shopper dissatisfaction, damage to our reputation, loss of customers, limited growth, and reduction in revenue.

We currently serve the majority of our platform functions from third-party data center hosting facilities operated by Google Cloud Platform, located in Iowa. We serve ancillary functions for our customers from third-party data center hosting facilities operated by Amazon Web Services, located in Virginia. Our platform is deployed to multiple data centers within these geographies, with additional geographies available for disaster recovery. Our operations depend, in part, on our third-party providers’ protection of these facilities from natural disasters, power or telecommunications failures, criminal acts, or similar events (such as the COVID-19 pandemic). If any third-party facility’s arrangement is terminated, or its service lapses, we could experience interruptions in our platform, latency, as well as delays and additional expenses in arranging new facilities and services.

A significant portion of our operating cost is from our third-party data hosting and transmission services. If the costs for such services increase due to vendor consolidation, regulation, contract renegotiation or otherwise, we may not be able to increase the fees for our ecommerce platform or professional services to cover the changes. As a result, our operating results may be significantly worse than forecasted. Our servers may be unable to achieve or maintain data transmission capacity sufficient for timely service of increased traffic or order processing. Our failure to achieve or maintain sufficient and performant data transmission capacity could significantly reduce demand for our platform.

Our customers often draw many shoppers over short periods of time, including from new product releases, holiday shopping seasons and flash sales. These events significantly increase the traffic on our servers and the volume of transactions processed on our platform. Despite precautions taken at our data centers, spikes in usage volume, or a natural disaster, an act of terrorism, vandalism or sabotage, closure of a facility without adequate

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notice, or other unanticipated problems (such as the COVID-19 pandemic) could result in lengthy interruptions or performance degradation of our platform. Any damage to, or failure of, the systems of our third-party providers could result in interruptions to our platform. Even with current and planned disaster recovery arrangements, our business could be harmed. If we experience damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenue, subject us to liability, cause us to issue credits, or cause customers to terminate their subscriptions, any of which could materially adversely affect our business.

If there are interruptions or performance problems associated with our technology or infrastructure, our existing customers may experience service outages, and our new customers may experience delays in using our platform.

Our continued growth depends, in part, on the ability of our existing and potential customers to access our platform 24 hours a day, seven days a week, without interruption or performance degradation. We have experienced and may, in the future, experience disruptions, data loss, outages, and other performance problems with our infrastructure. These can be due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial-of-service attacks, or other security-related incidents, any of which may be recurring. As we continue to add customers, expand geographically, and enhance our platform's functionality, the additional scale may increase complexity and our average uptime for future periods may decrease. We may not be able to identify the cause or causes of these performance problems promptly. If our platform is unavailable or if our customers are unable to access our platform within a reasonable amount of time, our business would be harmed. Any outage on our platform would impair the ability of our customers to engage in ecommerce, which would negatively impact our brand, reputation and customer satisfaction. We provide service credits to our customers for downtime they experience using our platform. Any downtime or malfunction could require us to issue a significant amount of service credits to customers. At times, we issue service credits to customers that we are not able to identify as having been affected by an incident. Issuing a significant amount of service credits would negatively impact our financial position. We depend on services from various third parties to maintain our infrastructure and any disruptions to these services, including from causes outside our control, would significantly impact our platform. In the future, these services may not be available to us on commercially reasonable terms, or at all. Loss of any of these services could decrease our platform's functionality until we develop equivalent technology or, if equivalent technology is available from another party, we identify, obtain, and integrate it into our infrastructure. If we do not accurately predict our infrastructure capacity requirements, our customers could experience service shortfalls. We may also be unable to address capacity constraints, upgrade our systems, and develop our technology and network architecture to accommodate actual and anticipated technology changes.

Any of the above circumstances or events may harm our reputation, cause customers to terminate their agreements with us, impair our ability to grow our customer base, subject us to financial liabilities under our SLAs, and otherwise harm our business, results of operations, and financial condition.

We anticipate that our operations will continue to increase in complexity as we grow, which will create management challenges.

Our business has experienced strong growth and is complex. We expect this growth to continue and for our operations to become increasingly complex. To manage this growth, we continue to make substantial investments to improve our operational, financial, and management controls as well as our reporting systems and procedures. We may not be able to implement and scale improvements to our systems and processes in a timely or efficient manner or in a manner that does not negatively affect our operating results. For example, we may not be able to effectively monitor certain extraordinary contract requirements or individually negotiated provisions as the number of transactions continues to grow. Our systems and processes may not prevent or detect all errors, omissions, or fraud. We may have difficulty managing improvements to our systems, processes and controls or in connection with third-party software. This could impair our ability to provide our platform to our customers,

causing us to lose customers, limiting our platform to less significant updates, or increasing our technical support costs. If we are unable to manage this complexity, our business, operations, operating results and financial condition may suffer.

As our customer base continues to grow, we will need to expand our services and other personnel, and maintain and enhance our partnerships, to provide a high level of customer service. Extended stay-at-home, business closure, and other restrictive orders may impact our ability to identify, hire, and train new personnel. We also will need to manage our sales processes as our sales personnel and partner network continue to grow and become more complex, and as we continue to expand into new geographies and market segments. If we do not effectively manage this increasing complexity, the quality of our platform and customer service could suffer, and we may not be able to adequately address competitive challenges. These factors could impair our ability to attract and retain customers and expand our customers' use of our platform.

We depend on our senior management team and the loss of one or more key employees or an inability to attract and retain highly skilled employees could adversely affect our business.

Our success depends largely upon the continued services of our executive officers. We rely on our leadership team for research and development, marketing, sales, services, and general and administrative functions, and on mission-critical individual contributors. From time to time, our executive management team may change from the hiring or departure of executives, which could disrupt our business. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period; therefore, they could terminate their employment with us at any time. The loss of one or more of our executive officers or key employees (including any limitation on the performance of their duties or short term or long term absences as a result of COVID-19) could have a serious adverse effect on our business.

To execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel is intense, especially for experienced software engineers and senior sales executives. If we are unable to attract such personnel in cities where we are located, we may need to hire in other locations, which may add to the complexity and costs of our business operations. We expect to continue to experience difficulty in hiring and retaining employees with appropriate qualifications. Extended stay-at-home, business closure, and other restrictive orders may impact our ability to identify, hire, and train new personnel. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or BigCommerce have breached legal obligations, resulting in a diversion of our time and resources. In addition, job candidates and existing employees often consider the value of the stock awards they receive in connection with their employment. If the perceived value of our stock awards declines, it may adversely affect our ability to recruit and retain highly skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, it could adversely affect our business and future growth prospects.

If we are unable to maintain our corporate culture as we grow, we could lose the innovation, teamwork, passion and focus on execution that we believe contribute to our success, and our business may be harmed.

We believe a critical component to our success has been our corporate culture. We have invested substantial time and resources in building our team. As we grow and develop the infrastructure of a public company, our operations may become increasingly complex. We may find it difficult to maintain these important aspects of our corporate culture. If we are required to maintain work-from-home arrangements for a significant period of time, it may impact our ability to preserve our corporate culture. Any failure to preserve our culture could negatively affect our future success, including our ability to retain and recruit personnel, and to effectively focus on and pursue our corporate objectives.

We may need to reduce or change our pricing model to remain competitive.

We price our subscriptions based on a combination of GMV order volume, and feature functionality. We expect that we may need to change our pricing from time to time. As new or existing competitors introduce

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products that compete with ours or reduce their prices, we may be unable to attract new customers or retain existing customers. We also must determine the appropriate price to enable us to compete effectively internationally. Mid-market and large enterprise customers may demand substantial price discounts as part of the negotiation of sales contracts. As a result, we may be required or choose to reduce our prices or otherwise change our pricing model, which could adversely affect our business, operating results, and financial condition.

Our sales cycle with mid-market and large enterprise customers can be long and unpredictable, and our sales efforts require considerable time and expense.

The timing of our sales with our mid-market and large enterprise customers and related revenue recognition is difficult to predict because of the length and unpredictability of the sales cycle for these customers. Mid-market and large enterprise customers, particularly those in highly regulated industries and those requiring customized applications, may have a lengthy sales cycle for the evaluation and implementation of our platform. If these customers maintain work-from-home arrangements for a significant period of time, it may cause a lengthening of these sales cycles. This may cause a delay between increasing operating expenses for such sales efforts and, upon successful sales, the generation of corresponding revenue. We are often required to spend significant time and resources to better educate our potential mid-market and large enterprise customers and familiarize them with the platform. The length of our sales cycle for these customers, from initial evaluation to contract execution, is generally three to six months but can vary substantially. On occasion, some customers will negotiate their contracts to include a trial period, delayed payment or a number of months on a promotional basis.

As the purchase and launch of our platform can be dependent upon customer initiatives, infrequently, our sales cycle can extend to up to twelve months. As a result, much of our revenue is generated from the recognition of contract liabilities from contracts entered into during previous periods. Customers often view a subscription to our ecommerce platform and services as a strategic decision with significant investment. As a result, customers frequently require considerable time to evaluate, test, and qualify our platform prior to entering into or expanding a subscription. During the sales cycle, we expend significant time and money on sales and marketing and contract negotiation activities, which may not result in a sale. Additional factors that may influence the length and variability of our sales cycle include:

- the effectiveness of our sales force as we hire and train our new salespeople to sell to mid-market and large enterprise customers;
- the discretionary nature of purchasing and budget cycles and decisions;
- the obstacles placed by customers' procurement process;
- economic conditions and other factors impacting customer budgets;
- customers' integration complexity;
- customers' familiarity with SaaS ecommerce solutions;
- customers' evaluation of competing products during the purchasing process; and
- evolving customer demands.

Given these factors, it is difficult to predict whether and when a sale will be completed, and when revenue from a sale will be recognized. Consequently, a shortfall in demand for our solutions and services or a decline in new or renewed contracts in a given period may not significantly reduce our revenue for that period but could negatively affect our revenue in future periods.

If we fail to maintain or grow our brand recognition, our ability to expand our customer base will be impaired and our financial condition may suffer.

We believe maintaining and growing the BigCommerce brand is important to supporting continued acceptance of our existing and future solutions, attracting new customers to our platform, and retaining existing

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customers. We also believe that the importance of brand recognition will increase as competition in our market increases. Successfully maintaining our brand will depend largely on the effectiveness of our marketing efforts, our ability to provide a reliable and useful platform to meet the needs of our customers at competitive prices, our ability to maintain our customers' trust, our ability to continue to develop new functionality and solutions, and our ability to successfully differentiate our platform. Additionally, our partners' performance may affect our brand and reputation if customers do not have a positive experience. Brand promotion activities may not generate customer awareness or yield increased revenue. Even if they do, any increased revenue may not offset the expenses we incurred in building our brand. If we fail to successfully promote and maintain our brand, we may fail to attract enough new customers or retain our existing customers to realize a sufficient return on our brand-building efforts, and our business could suffer.

If we fail to offer high quality support, our business and reputation could suffer.

Our customers rely on our personnel for support related to our subscription and customer solutions. High-quality support is important for the renewal and expansion of our agreements with existing customers. The importance of high-quality support will increase as we expand our business and pursue new customers, particularly mid-market and large enterprise customers. If we do not help our customers quickly resolve issues and provide effective ongoing support, our ability to sell new software to existing and new customers could suffer and our reputation with existing or potential customers could be harmed.

We store personal information of our customers and their shoppers. If the security of this information is compromised or is otherwise accessed without authorization, our reputation may be harmed and we may be exposed to liability and loss of business.

We transmit or store personal information, credit card information and other confidential information of our partners, our customers, and their shoppers. Third-party applications available on our platform and mobile applications may also store personal information, credit card information, and other confidential information. We do not proactively monitor the content that our customers upload or the information provided to us through the applications integrated with our ecommerce platform; therefore, we do not control the substance of the content on our servers, which may include personal information.

We use third-party service providers and subprocessors to help us deliver services to customers and their shoppers. These service providers and subprocessors may store personal information, credit card information and/or other confidential information. Such information may be the target of unauthorized access or subject to security breaches as a result of third-party action, employee error, malfeasance or otherwise. Many companies that provide these services have reported a significant increase in cyberattack activity since the beginning of the COVID-19 pandemic. Any of these could (a) result in the loss of information, litigation, indemnity obligations, damage to our reputation and other liability, or (b) have a material adverse effect on our business, financial condition, and results of operations.

Because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Even if such a data breach did not arise out of our action or inaction, or if it were to affect one or more of our competitors or our customers' competitors, rather than us, the resulting concern could negatively affect our customers and our business. Concerns regarding data privacy and security may cause some of our customers to stop using our platform and fail to renew their subscriptions. In addition, failures to meet our customers' or shoppers' expectations with respect to security and confidentiality of their data and information could damage our reputation and affect our ability to retain customers, attract new customers, and grow our business.

Our failure to comply with legal or contractual requirements around the security of personal information could lead to significant fines and penalties, as well as claims by our customers, their shoppers, or other

stakeholders. These proceedings or violations could force us to spend money in defense or settlement of these proceedings, result in the imposition of monetary liability or injunctive relief, divert management's time and attention, increase our costs of doing business, and materially adversely affect our reputation and the demand for our platform.

If our security measures fail to protect credit card information adequately, we could be liable to our partners, the payment card associations, our customers, their shoppers and consumers with whom we have a direct relationship. We could be subject to fines and higher transaction fees, we could face regulatory or other legal action, and our customers could end their relationships with us. The limitations of liability in our contracts may not be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim.

Our insurance coverage, including coverage for errors and omissions, may not continue to be available on acceptable terms or may not be available in sufficient amounts to cover one or more large claims. Our insurers could deny coverage as to any future claim. The successful assertion of one or more large claims against us, or changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our business, financial condition, and results of operations.

We are also subject to federal, state, and foreign laws regarding cybersecurity and the protection of data. Many jurisdictions have enacted laws requiring companies to notify individuals of security breaches involving certain types of personal information. Our agreements with certain customers and partners require us to notify them of certain security incidents. Some jurisdictions and customers require us to safeguard personal information or confidential information using specific measures. If we fail to observe these requirements, our business, operating results, and financial condition could be adversely affected.

Evolving global internet laws, regulations and standards, privacy regulations, cross-border data transfer restrictions, and data localization requirements may limit the use and adoption of our services, expose us to liability, or otherwise adversely affect our business.

Federal, state, or foreign governmental bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting the use of the internet as a commercial medium. These laws and regulations could impact taxation, internet neutrality, tariffs, content, copyrights, distribution, electronic contracts and other communications, consumer protection, and the characteristics and quality of services. Legislators and regulators may make legal and regulatory changes, or apply existing laws, in ways that require us to incur substantial costs, expose us to unanticipated civil or criminal liability, or cause us to change our business practices. These laws and regulations and resulting increased costs could materially harm our business, results of operations, and financial condition.

Laws and regulations governing data privacy are constantly evolving. Many of these laws and regulations, including the European Union's GDPR and the California Consumer Protection Act (the "CCPA"), contain detailed requirements regarding collecting and processing personal information, restrict the use and storage of such information, and govern the effectiveness of consumer consent. They could restrict our ability to store and process personal data (in particular, our ability to use certain data for purposes such as risk or fraud avoidance, marketing or advertising), to control our costs by using certain vendors or service providers, and to offer certain services in certain jurisdictions. Further, the CCPA requires covered companies to provide new disclosures to California consumers, provide such consumers new ways to opt-out of certain sales of personal information, and allow for a new cause of action for data breaches. Such laws could restrict our customers' ability to run their businesses; for example, by limiting their ability to effectively market to interested shoppers. This could reduce our revenue and the general demand for our services.

Such laws and regulations are often inconsistent and may be subject to amendment or re-interpretation, which may cause us to incur significant costs and expend significant effort to ensure compliance. For example, the European Court of Justice recently invalidated the U.S.-EU Privacy Shield as a basis for transfers of personal

data from the EU to the U.S. while upholding standard contractual clauses as a mechanism for transfers. Our response to these requirements globally may not meet the expectations of individual customers, their shoppers, or other stakeholders, which could reduce the demand for our services. Some customers or other service providers may respond to these evolving laws and regulations by asking us to make certain privacy or data-related contractual commitments that we are unable or unwilling to make. This could lead to the loss of current or prospective customers or other business relationships.

Certain laws and regulations, like the GDPR, also include restrictions on the transfer of personal information across national borders. Because our services are accessible worldwide, certain foreign jurisdictions may claim that we are required to comply with such laws even in jurisdictions where we have no local entity, employees or infrastructure. Some of these laws include strict localization provisions that require certain data to be stored within a particular region or jurisdiction. We rely on a globally distributed infrastructure in order to be able to provide our services efficiently, and consequently may not be able to meet the expectations of customers who are located in or otherwise subject to such localization requirements, which may reduce the demand for our services.

Our failure to comply with these and additional laws or regulations could expose us to significant fines and penalties imposed by regulators, as well as legal claims by our customers, or their shoppers, or other relevant stakeholders. Similarly, many of these laws require us to maintain an online privacy policy and terms of service that disclose our practices regarding the collection, processing, and disclosure of personal information. If these disclosures contain any information that a court or regulator finds to be inaccurate or inadequate, we could also be exposed to legal or regulatory liability. Any such proceedings or violations could force us to spend money in defense or settlement, result in the imposition of monetary liability or demanding injunctive relief, divert management's time and attention, increase our costs of doing business, and materially adversely affect our reputation.

Mobile devices are increasingly being used to conduct commerce, and if our platform does not operate as effectively when accessed through these devices, our customers and their shoppers may not be satisfied with our services, which could harm our business.

Ecommerce transacted over mobile devices continues to grow more rapidly than desktop transactions. We are dependent on the interoperability of our platform with third-party mobile devices and mobile operating systems as well as web browsers that are out of our control. Changes in such devices, systems, or web browsers that degrade the functionality of our platform or give preferential treatment to competitive services could adversely affect usage of our platform. Mobile ecommerce is a key element in our strategy and effective mobile functionality is integral to our long-term development and growth strategy. If our customers and their shoppers have difficulty accessing and using our platform on mobile devices, our business and operating results could be adversely affected.

Activities of customers, their shoppers, and our partners could damage our brand, subject us to liability and harm our business and financial results.

Our terms of service prohibit our customers from using our platform to engage in illegal activities and our terms of service permit us to take down a customer's shop if we become aware of illegal use. Customers may nonetheless engage in prohibited or illegal activities or upload store content in violation of applicable laws, which could subject us to liability. Our partners may engage in prohibited or illegal activities, which could subject us to liability. Furthermore, our brand may be negatively impacted by the actions of customers or partners that are deemed to be hostile, offensive, inappropriate, or illegal. We do not proactively monitor or review the appropriateness of the content of our customers' stores or our partners' activities. Our safeguards may not be sufficient for us to avoid liability or avoid harm to our brand. Hostile, offensive, inappropriate, or illegal use could adversely affect our business and financial results.

In many jurisdictions, laws relating to the liability of providers of online services for activities of their shoppers and other third parties are being tested by actions based on defamation, invasion of privacy, unfair

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competition, copyright and trademark infringement, and other theories. Any court ruling or other governmental regulation or action that imposes liability on customers of online services in connection with the activities of their shoppers could harm our business. We could also be subject to liability under applicable law, which may not be fully mitigated by our terms of service. Any liability attributed to us could adversely affect our brand, reputation, ability to expand our subscriber base, and financial results.

Unfavorable conditions in our industry or the global economy, or reductions in IT spending, could limit our ability to grow our business and negatively affect our results of operations.

Our results of operations may vary based on the impact of changes in our industry or the global economy on us or our customers. The revenue growth and potential profitability of our business depend on demand for our platform. Current or future economic uncertainties or downturns could adversely affect our business and results of operations. Negative conditions in the global economy or individual markets, including changes in gross domestic product growth, financial and credit market fluctuations, political turmoil, natural catastrophes, warfare and terrorist attacks on the United States, Europe, Australia, the Asia Pacific region or elsewhere, could cause a decrease in business investments, including spending on IT and negatively affect our business. In particular, given our investment in our development capabilities in Ukraine, political turmoil, warfare, or terrorist attacks in Ukraine could negatively affect our business.

To the extent our platform is perceived by customers and potential customers as costly, or too difficult to launch or migrate to, it would negatively affect our growth. Our revenue may be disproportionately affected by delays or reductions in general IT spending. Competitors, many of whom are larger and more established than we are, may respond to market conditions by lowering prices and attempting to lure away our customers. In addition, consolidation in certain industries may result in reduced overall spending on our platform. We cannot predict the timing, strength, or duration of any economic slowdown, instability or recovery, generally or within any particular industry. If the economic conditions of the general economy or markets in which we operate worsen from present levels, our business, results of operations and financial condition could be adversely affected.

Natural catastrophic events and man-made problems such as power disruptions, computer viruses, global pandemics, data security breaches and terrorism may disrupt our business.

We rely heavily on our network infrastructure and IT systems for our business operations. An online attack, earthquake, fire, terrorist attack, power loss, global pandemics (such as the COVID-19 pandemic), telecommunications failure, or other similar catastrophic event could cause system interruptions, delays in accessing our service, reputational harm, and loss of critical data. Such events could prevent us from providing our platform to our customers. A catastrophic event that results in the destruction or disruption of our data centers, or our network infrastructure or IT systems, including any errors, defects, or failures in third-party hardware, could affect our ability to conduct normal business operations, and adversely affect our operating results.

In addition, as computer malware, viruses, computer hacking, fraudulent use attempts, and phishing attacks have become more prevalent, we face increased risk from these activities. These activities threaten the performance, reliability, security, and availability of our platform. Any computer malware, viruses, computer hacking, fraudulent use attempts, phishing attacks, or other data security breaches to our systems could, among other things, harm our reputation and our ability to retain existing customers and attract new customers. Many companies that provide cloud-based services have reported a significant increase in cyberattack activity since the beginning of the COVID-19 pandemic.

We could incur substantial costs in protecting or defending our proprietary rights. Failure to adequately protect our rights could impair our competitive position. We could lose valuable assets, experience reduced revenue, and incur costly litigation.

Our success is dependent, in part, upon protecting our proprietary technology. We rely on a combination of trade secret laws, contractual provisions, trademarks, service marks, copyrights, and patents in an effort to

establish and protect our proprietary rights. However, the steps we take to protect our intellectual property may be inadequate. While we have been issued a patent in the United States and have an additional patent application pending, we may be unable to obtain patent protection for the technology covered in our patent application. We make business decisions about when to seek patent protection for a particular technology and when to rely upon trade secret protection. The approach we select may ultimately prove to be inadequate.

Our patent or patents issued in the future may not provide us with competitive advantages, or may be successfully challenged by third parties. Any of our patents, trademarks, or other intellectual property rights may be challenged or circumvented by others or invalidated through administrative process or litigation. Others may independently develop similar products, duplicate any of our solutions or design around our patents, or adopt similar or identical brands for competing platforms. Legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. Despite our precautions, it may be possible for unauthorized third parties to copy our platform and use information that we regard as proprietary to create products and services that compete with ours. Some license provisions restricting unauthorized use, copying, transfer, and disclosure of our intellectual property may be unenforceable under the laws of jurisdictions outside the United States.

To the extent we expand our international activities, our exposure to unauthorized copying and use of our platform and proprietary information may increase. Moreover, effective trademark, copyright, patent, and trade secret protection may not be available or commercially feasible in every country in which we conduct business. Further, intellectual property law, including statutory and case law, particularly in the United States, is constantly developing. Changes in the law could make it harder for us to enforce our rights.

We enter into confidentiality and invention assignment agreements with our employees and consultants. We enter into confidentiality agreements with strategic and business partners. These agreements may not be effective in controlling access to and distribution of our proprietary information. These agreements do not prevent our competitors or partners from independently developing technologies that are equivalent or superior to our platform.

We may be required to spend significant resources to monitor, protect, and enforce our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights and protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management. Such litigation could result in the impairment or loss of portions of our intellectual property. Enforcement of our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property. An adverse determination of any litigation proceedings could put our intellectual property at risk of being invalidated or interpreted narrowly. An adverse determination could risk the issuance or cancellation of pending patent and trademark filings. Because of the substantial discovery required in connection with intellectual property litigation, our confidential or sensitive information could be compromised by disclosure in litigation. Litigation could result in public disclosure of results of hearings, motions, or other interim developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our Series 1 common stock.

Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our platform, impair the functionality of our platform, delay introductions of new functionality to our platform, result in the substitution of inferior or more costly technologies into our platform, or injure our reputation. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Policing unauthorized use of our technologies, trade secrets, and intellectual property may be difficult, expensive, and time-consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the United States and where mechanisms for enforcement of intellectual property rights may be weak. If we fail to meaningfully

protect our intellectual property and proprietary rights, our business, operating results, and financial condition could be adversely affected.

We have been, and may in the future be, subject to legal proceedings and litigation, including intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business. Our business may suffer if it is alleged or determined that our technology infringes the intellectual property rights of others.

The software industry is characterized by the existence of a large number of patents, copyrights, trademarks, trade secrets, and other intellectual and proprietary rights. Companies in the software industry are often required to defend against litigation claims based on allegations of infringement or other violations of intellectual property rights. Our technologies may not be able to withstand any third-party claims or rights against their use. These lawsuits are time-consuming and expensive to resolve and they divert management's time and attention. Our future success depends in part on not infringing the intellectual property rights of others.

Many software companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. Any litigation may also involve patent holding companies or other adverse patent owners that have no relevant product revenue and against which our patent may therefore provide little or no deterrence. We have and may in the future need to enter into settlement agreements that require us to pay settlement fees and that encumber a portion of our intellectual property. Any claims or litigation could cause us to incur significant expenses and, whether or not successfully asserted against us, could require that we pay substantial damages, ongoing royalty or license payments, require us to re-engineer all or a portion of our platform, or require that we comply with other unfavorable terms. If a third party is able to obtain an injunction preventing us from accessing third-party intellectual property rights, or if we cannot license or develop technology for any infringing aspect of our business, we would be forced to limit or stop sales of our software or cease business activities covered by such intellectual property. It could prevent us from competing effectively.

We may be contractually obligated to indemnify our customers for infringement of a third party's intellectual property rights. Responding to such claims regardless of their merit, can be time-consuming, costly to defend in litigation, and damage our reputation and brand. We also may be required to redesign our platform, delay releases, enter into costly settlement or license agreements, pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling our platform. Requiring us to change one or more aspects of the way we deliver our platform may harm our business.

Although we carry general liability insurance and other insurance, our insurance may not cover potential claims of this type. Our insurance may not be adequate to cover us for all liability that may be imposed. We may not be able to maintain our insurance coverage. We cannot predict the outcome of lawsuits, and cannot assure you that the results of any of these actions will not have an adverse effect on our business, operating results or financial condition.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement, data protection, and other losses.

Some of our agreements with customers and other third parties include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, data protection, damages to property or persons, or other liabilities relating to or arising from our platform, services or other contractual obligations. Some of these indemnity agreements provide for uncapped liability for which we would be responsible, and some indemnity provisions survive termination or expiration of the applicable agreement. Large indemnity payments could harm our business, results of operations and financial condition. Although we normally contractually limit our liability with respect to such obligations, we may still incur substantial liability related to them and we may be required to cease use of certain functions of our platform

or services as a result of any such claims. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer, other existing customers, and new customers. Such a dispute could harm our business and results of operations.

We rely on third-party proprietary and open source software for our platform. Our inability to obtain third-party licenses for such software, or obtain them on favorable terms, or any errors or failures caused by such software could adversely affect our business, results of operations and financial condition.

Some of our offerings include software or other intellectual property licensed from third parties. It may be necessary in the future to renew licenses relating to various aspects of these applications or to seek new licenses for existing or new applications. Necessary licenses may not be available on acceptable terms or under open source licenses permitting redistribution in commercial offerings, if at all. Our inability to obtain certain licenses or other rights or to obtain such licenses or rights on favorable terms could result in delays in product releases until equivalent technology can be identified, licensed or developed, if at all, and integrated into our platform. It may have a material adverse effect on our business, results of operations and financial condition. Third parties may allege that additional licenses are required for our use of their software or intellectual property. We may be unable to obtain such licenses on commercially reasonable terms or at all. The inclusion in our offerings of software or other intellectual property licensed from third parties on a non-exclusive basis could limit our ability to differentiate our offerings from those of our competitors. To the extent that our platform depends upon the successful operation of third-party software, any undetected errors or defects in such third-party software could impair the functionality of our platform, delay new feature introductions, result in a failure of our platform, and injure our reputation.

Our use of open source software could subject us to possible litigation or cause us to subject our platform to unwanted open source license conditions that could negatively impact our sales.

A significant portion of our platform incorporates open source software, and we expect to incorporate open source software into other offerings or solutions in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses. Little legal precedent governs the interpretation of these licenses; therefore, the potential impact of these terms on our business is unknown and may result in unanticipated obligations regarding our technologies. If a distributor of open source software were to allege that we had not complied with its license, we could be required to incur significant legal expenses. If we combine our proprietary software with open source software or utilize open source software in a certain manner, under some open source licenses, we could be in breach of the license if we did not release the source code of our proprietary software. Releasing our source code could substantially help our competitors develop products that are similar to or better than ours.

If our platform fails to perform properly, and if we fail to develop enhancements to resolve performance issues, we could lose customers, become subject to performance or warranty claims, or incur significant costs.

Our operations are dependent upon our ability to prevent system interruption. The applications underlying our platform are inherently complex and may contain material defects or errors, which may cause disruptions in availability or other performance problems. Defects, errors, disruptions in service, cyber-attacks, or other performance problems with our software, whether in connection with the day-to-day operation, upgrades or otherwise, could result in: loss of customers; lost or delayed market acceptance and sales of our platform; delays in payment to us by customers; injury to our reputation and brand; legal claims, including warranty and service claims, against us; diversion of our resources, including through increased service and warranty expenses or financial concessions; and increased insurance costs.

We have found defects in our platform and may discover additional defects in the future that could result in data unavailability, unauthorized access to, loss, corruption, or other harm to our customers' data. We may not be able to detect and correct defects or errors before release. Consequently, we or our customers may discover

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defects or errors after our platform has been employed. We implement bug fixes and upgrades as part of our regularly scheduled system maintenance. If we do not complete this maintenance according to schedule or if customers are otherwise dissatisfied with the frequency and/or duration of our maintenance services and related system outages, customers could terminate their contracts, or delay or withhold payment to us, or cause us to issue credits, make refunds, or pay penalties. The costs incurred or delays resulting from the correction of defects or errors in our software or other performance problems may be substantial and could adversely affect our operating results.

Payment transactions on our ecommerce platform subject us to regulatory requirements, additional fees, and other risks that could be costly and difficult to comply with or that could harm our business.

We are required by our payment processors to comply with payment card network operating rules and we have agreed to reimburse our payment processors for any fees or fines they are assessed by payment card networks as a result of any rule violations by us or our customers. The payment card networks set and interpret the card rules. We face the risk that one or more payment card networks or other processors may, at any time, assess penalties against us, against our customers, or terminate our ability to accept credit card payments or other forms of online payments from shoppers. This would have an adverse effect on our business, financial condition, and operating results.

If we fail to comply with the payment card network rules, including the Payment Card Industry Data Security Standard (“PCI-DSS”) and those of each of the credit card brands, we would breach our contractual obligations to our payment processors, financial institutions, partners, and customers. Such a failure may subject us to fines, penalties, damages, higher transaction fees, and civil liability. It could prevent us from processing or accepting payment cards or lead to a loss of payment processor partners, even if customer or shopper information has not been compromised.

We provide our ecommerce platform to businesses in highly-regulated industries, which subjects us to a number of challenges and risks.

We provide our ecommerce platform to customers in highly regulated industries such as pharmaceuticals, insurance, healthcare and life sciences, and we may have customers in other highly-regulated industries in the future. Providing our ecommerce platform to such entities subjects us to a number of challenges and risks. Selling to such entities can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Customers in highly-regulated industries may demand shorter subscription periods or other contract terms that differ from our standard arrangements, including terms that can lead those customers to obtain broader rights in our offerings than would be standard. Such entities may have statutory, contractual, or other legal rights to terminate contracts with us or our partners due to a default or for other reasons. Any such termination may adversely affect our reputation, business, results of operations and financial condition. Additionally, due to the heightened regulatory environment in which they operate, potential customers in these industries may encounter additional difficulties when trying to move away from legacy ecommerce platforms to an open SaaS platform like the one we provide.

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

As of December 31, 2019, we had accumulated federal and state net operating loss (“NOL”) carryforwards of \$118.2 million and \$37.3 million, respectively. The federal and state NOL carryforwards each will begin to expire in 2036. Certain of the federal losses have no expiration. As of December 31, 2019, we also had total foreign NOL carryforwards of \$6.9 million, which do not expire under local law. In general, under Section 382 of the United States Internal Revenue Code of 1986, as amended (the “Code”), a corporation that undergoes an “ownership change” is subject to limitations on its ability to utilize its pre-change NOLs to offset future taxable income. If we undergo an ownership change in connection with this offering, our ability to utilize NOLs could be limited by Section 382 of the Code. Future changes in our stock ownership, some of which are outside of our

control, could result in an ownership change under Section 382 of the Code. Furthermore, our ability to utilize NOLs of companies that we have acquired or may acquire in the future may be subject to limitations. Furthermore, our losses in Australia are subject to the change of ownership test rules in that jurisdiction that when applied may limit our ability to fully utilize our Australian NOLs. For these reasons, we may not be able to utilize a material portion of the NOLs, even if we were to achieve profitability.

The Tax Cuts and Jobs Act (the “TCJA”) was enacted on December 22, 2017 and significantly reformed the Code. The TCJA, among other things, generally eliminates the ability to carry back any NOLs to prior taxable years, while allowing post-2017 unused NOLs to be carried forward indefinitely. Recently enacted legislation, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), temporarily reverses the limitations imposed by the TCJA by permitting a corporation to offset without limitation its taxable income in 2019 or 2020 with NOL carryforwards generated in prior years. In addition, under the TCJA, as modified by the CARES Act, the amount of NOLs that we are permitted to deduct in any taxable year beginning after December 31, 2020, is limited to 80% of our taxable income in such year, where taxable income is determined without regard to the NOL deduction itself. It is uncertain if and to what extent various states will conform to the TCJA or the CARES Act. The changes in the carryforward/carryback periods as well as the limitation on use of NOLs in the taxable years beginning after December 31, 2020 may affect our ability to fully utilize our available NOLs.

We may be subject to additional obligations to collect and remit sales tax and other taxes. We may be subject to tax liability for past sales, which could harm our business.

State, local and foreign jurisdictions have differing rules and regulations governing sales, use, value added, and other taxes, and these rules and regulations are subject to varying interpretations that may change over time. In particular, the applicability of such taxes to our ecommerce platform in various jurisdictions is unclear. These jurisdictions’ rules regarding tax nexus are complex and vary significantly. As a result, we could face tax assessments and audits. Our liability for these taxes and associated penalties could exceed our original estimates. Jurisdictions in which we have not historically collected or accrued sales, use, value added, or other taxes could assert our liability for such taxes. This could result in substantial tax liabilities and related penalties for past sales. It could also discourage customers from using our platform or otherwise harm our business and operating results.

Changes in tax laws or regulations that are applied adversely to us or our customers could increase the cost of our ecommerce platform and adversely impact our business.

New income, sales, use, or other tax laws, statutes, rules, regulations, or ordinances could be enacted at any time. Any new taxes could adversely affect our domestic and international business operations and our business and financial performance. Existing tax laws, statutes, rules, regulations, or ordinances could be interpreted, changed, modified or applied adversely to us. These events could require us or customers using our ecommerce platform to pay additional tax amounts on a prospective or retroactive basis. They could require us or our customers to pay fines and/or penalties and interest for past amounts deemed to be due. If we raise our prices to offset the costs of these changes, existing and potential future customers may elect not to continue to subscribe or elect to subscribe to our ecommerce platform in the future. Additionally, new, changed, modified, or newly interpreted or applied tax laws could increase our customers’ and our compliance, operating and other costs, as well as the costs of our platform. Any or all of these events could adversely impact our business and financial performance.

Our current operations are international in scope, and we plan further geographic expansion. This will create a variety of operational challenges.

A component of our growth strategy involves the further expansion of our operations and customer base internationally. In the years ended December 31, 2018 and 2019, revenue generated from customers outside the United States was 18.3% and 18.8% of our total revenue, respectively. We currently have locations in the United States, Australia, the United Kingdom (“UK”), Singapore, and Ukraine. We are continuing to adapt and develop

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strategies to address international markets, but such efforts may not be successful. In addition, the COVID-19 pandemic and related stay-at-home, business closure, and other restrictive orders and travel restrictions, may pose additional challenges for international expansion and may impact our ability to launch new locations and further expand geographically.

As of December 31, 2019, 14.2% of our full-time employees were located outside of the United States. In addition, 43 private entrepreneurs provide services to us in Ukraine. We expect that our international activities will continue to grow over the foreseeable future as we continue to pursue opportunities in existing and new international markets. This will require significant management attention and financial resources. We may face difficulties, including: (1) costs associated with developing software and providing support in many languages, (2) varying seasonality patterns, (3) potential adverse movement of currency exchange rates, (4) longer payment cycles and difficulties in collecting accounts receivable, (5) tariffs and trade barriers, (6) a variety of regulatory or contractual limitations on our ability to operate, (7) adverse tax events, (8) reduced protection of intellectual property rights, (9) a geographically and culturally diverse workforce and customer base, and (10) travel restrictions associated with the COVID-19 pandemic. Failure to overcome any of these difficulties could negatively affect our results of operations.

Our current international operations and future initiatives involve a variety of risks, including:

- changes in a country's or region's political or economic conditions;
- the need to adapt and localize our platform for specific countries;
- greater difficulty collecting accounts receivable and longer payment cycles;
- potential changes in trade relations arising from policy initiatives implemented by the current administration, which has been critical of existing and proposed trade agreements;
- unexpected changes in laws, regulatory requirements, taxes, or trade laws;
- more stringent regulations relating to privacy and data security and the unauthorized use of, or access to, commercial and personal information, particularly in Europe;
- differing labor regulations, especially in Europe, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations;
- challenges inherent in efficiently managing an increased number of employees over large geographic distances (including in a work-from-home environment), including the need to implement appropriate systems, policies, benefits, and compliance programs;
- difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems, and regulatory systems;
- increased travel, real estate, infrastructure, and legal compliance costs associated with international operations;
- currency exchange rate fluctuations and the resulting effect on our revenue and expenses, and the cost and risk of entering into hedging transactions if we chose to do so in the future;
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries;
- laws and business practices favoring local competitors or general preferences for local vendors;
- limited or insufficient intellectual property protection or difficulties enforcing our intellectual property;
- political instability or terrorist activities;

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- risks related to global health epidemics, such as the COVID-19 pandemic, including restrictions on our ability and our customers' ability to travel, disruptions in our customers' ability to distribute products, and temporary closures of our customers' facilities;
- exposure to liabilities under anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the UK Bribery Act of 2010, the UK Proceeds of Crime Act 2002, and similar laws and regulations in other jurisdictions; and
- adverse tax burdens and foreign exchange controls that could make it difficult to repatriate earnings and cash.

Our limited experience in operating our business internationally increases the risk that future expansion efforts that we may undertake will not be successful. If we invest substantial time and resources to expand our international operations and are unable to do so successfully, our business and operating results will suffer.

Our international operations may subject us to potential adverse tax consequences.

We are expanding our international operations and staff to better support our growth into international markets. Our corporate structure and associated transfer pricing policies contemplate future growth into the international markets, and consider the functions, risks, and assets of the various entities involved in the intercompany transactions. The amount of taxes we pay in different jurisdictions may depend on (1) the application of the tax laws of the various jurisdictions, including the United States, to our international business activities, (2) changes in tax rates, (3) new or revised tax laws or interpretations of existing tax laws and policies, and (4) our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. Taxing authorities may challenge the pricing methodologies of our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties. This could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency.

The TCJA was enacted on December 22, 2017 and significantly reformed the Code. The TCJA, among other things: (1) includes changes to U.S. federal tax rates, (2) imposes additional limitations on the deductibility of interest, (3) has both positive and negative changes to the utilization of future NOL carryforwards as described above, (4) allows for the expensing of certain capital expenditures, and (5) puts into effect the migration from a "worldwide" system of taxation to a partially territorial system. Our net deferred tax assets and liabilities and valuation allowance was revalued at the newly enacted U.S. corporate rate. We continue to await guidance from the tax authorities on some of the changes that will affect us. Such future guidance could result in significant one-time charges in the current or future taxable years and could increase our future U.S. tax expense. The impact of this tax reform on holders of our Series 1 common stock is uncertain and could be adverse.

Loss of certain tax benefits that we enjoy in Ukraine could have a negative impact on our operating results and profitability.

Substantially all of the persons who provide services used by us in Ukraine are independent contractors who are registered as private entrepreneurs with the tax authorities. They are third-party suppliers operating as independent contractors, for whom we are not required to pay social duties and personal income tax applicable to employees. Nevertheless, Ukrainian tax authorities may take a view that would result in additional financial obligations. Ukrainian tax authorities could assert a position on the classification of our independent contractors contrary to ours. They could claim we had to withhold personal income tax and to accrue single social contribution in relation to employees' remuneration. If a national authority or court enacts legislation or adopts regulations that change the manner in which employees and independent contractors are classified, or makes any

adverse determination with respect to some or all of our independent contractors, we could incur significant costs arising from fines or judgments as a result of tax withholding. All of these factors could in turn result in material adverse effects on our financial condition.

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

Our platform is subject to U.S. export controls, including the Export Administration Regulations and economic sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control. We incorporate encryption technology into our platform. These encryption products and the underlying technology may be exported outside of the United States only with the required export authorizations, including by license, a license exception or other appropriate government authorizations.

Furthermore, our activities are subject to the U.S. economic sanctions laws and regulations that prohibit the shipment of certain products and services to countries, governments, and persons targeted by U.S. embargoes or sanctions. The current administration has been critical of existing trade agreements and may impose more stringent export and import controls. Obtaining the necessary export license or other authorization for a particular sale may be time-consuming and may result in the delay or loss of sales opportunities even if the export license ultimately may be granted. While we take precautions to prevent our platform from being exported in violation of these laws, including obtaining authorizations for our platform, performing geolocation IP blocking and screenings against U.S. and other lists of restricted and prohibited persons, we cannot guarantee that the precautions we take will prevent violations of export control and sanctions laws. Violations of U.S. sanctions or export control laws can result in significant fines or penalties and possible incarceration for responsible employees and managers could be imposed for criminal violations of these laws.

If our partners fail to obtain appropriate import, export or re-export licenses or permits, we may also be adversely affected, through reputational harm as well as other negative consequences, including government investigations and penalties. We presently incorporate export control compliance requirements into our strategic partner agreements; however, no assurance can be given that our partners will comply with such requirements.

Various countries regulate the import and export of certain encryption and other technology, including import and export licensing requirements. Some countries have enacted laws that could limit our ability to distribute our platform or could limit our customers' ability to implement our platform in those countries. Changes in our platform or future changes in export and import regulations may create delays in the introduction of our platform in international markets, prevent our customers with international operations from launching our platform globally or, in some cases, prevent the export or import of our platform to certain countries, governments, or persons altogether. Various governmental agencies have proposed additional regulation of encryption technology, including the escrow and government recovery of private encryption keys. Any change in export or import regulations, economic sanctions, or related legislation, or change in the countries, governments, persons, or technologies targeted by such regulations, could limit our ability to export or sell our platform to existing or potential customers with international operations. Any decreased use of our platform or limitation on our ability to export or sell our platform would adversely affect our business, operating results, and prospects.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our operating results.

Our customer subscription and partner and services contracts are primarily denominated in U.S. dollars, and therefore substantially all of our revenue is not subject to foreign currency risk. However, a strengthening of the U.S. dollar could increase the real cost of our platform to our customers outside of the United States, which could adversely affect our operating results. In addition, an increasing portion of our operating expenses is incurred and an increasing portion of our assets is held outside the United States. These operating expenses and assets are denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency exchange

rates. If we are not able to successfully hedge against the risks associated with currency fluctuations, our operating results could be adversely affected.

We are subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws. Non-compliance with such laws can subject us to criminal and/or civil liability and harm our business.

We are subject to the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the UK Bribery Act of 2010, the UK Proceeds of Crime Act 2002, and other anti-bribery and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years. These laws are interpreted broadly to prohibit companies and their employees and third-party intermediaries from authorizing, promising, offering, or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. As we increase our international sales and business and sales to the public sector, we may engage with partners and third-party intermediaries to market our services and to obtain necessary permits, licenses, and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities.

While we have policies and procedures to address compliance with such laws, our employees and agents could violate our policies and applicable law, for which we may be ultimately held responsible. As we increase our international sales and business, our risks under these laws may increase.

Noncompliance with anti-corruption, anti-bribery, or anti-money laundering laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, suspension and/or debarment from contracting with certain persons, the loss of export privileges, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations, and financial condition could be materially harmed. Responding to any action will likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees. Enforcement actions and sanctions could further harm our business, results of operations, and financial condition.

Changes in subjective assumptions, estimates and judgments by management related to complex accounting matters or changes in accounting principles generally accepted in the United States, could significantly affect our financial condition and results of operations.

GAAP and related pronouncements, implementation guidelines, and interpretations apply to a wide range of matters that are relevant to our business, including revenue recognition, stock-based compensation, and deferred commissions. These matters are complex and involve subjective assumptions, estimates, and judgments by our management. Changes in GAAP, these accounting pronouncements or their interpretation or changes in underlying assumptions, estimates, or judgments by our management, the Financial Accounting Standards Board ("FASB"), the Securities and Exchange Commission (the "SEC"), and others could significantly change our reported or expected financial performance, which could impact the market price for our Series 1 common stock.

The terms of the agreements governing our indebtedness restrict, and any future indebtedness would likely restrict, our operations.

Our Second Amended and Restated Loan and Security Agreement (our "Credit Facility"), which we amended and restated in February 2020 (our "A&R Credit Facility"), 2017 Convertible Term Loan, and 2020 Convertible Term Loan, each with Silicon Valley Bank ("SVB"), and our Mezzanine Facility with

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WestRiver Innovation Lending Fund VIII, L.P., contain, and any future indebtedness would likely contain, a number of covenants that impose significant operating and financial restrictions on us, including restrictions on our ability to take actions that may be in our best interests. Our A&R Credit Facility requires us to satisfy specified financial covenants. Our ability to meet those financial covenants can be affected by events beyond our control, and we may not be able to continue to meet those covenants. A breach of any of these covenants or the occurrence of other events specified in the A&R Credit Facility, 2017 Convertible Term Loan, 2020 Convertible Term Loan, and Mezzanine Facility could result in an event of default under the A&R Credit Facility, 2017 Convertible Term Loan, 2020 Convertible Term Loan, and Mezzanine Facility, as applicable. Upon the occurrence of an event of default, SVB could elect to declare all amounts outstanding under the A&R Credit Facility, 2017 Convertible Term Loan, 2020 Convertible Term Loan, and Mezzanine Facility to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, SVB could proceed against the collateral granted to them to secure such indebtedness. We have pledged substantially all of our assets, including our intellectual property, as collateral under the A&R Credit Facility, 2017 Convertible Term Loan, 2020 Convertible Term Loan, and Mezzanine Facility.

If SVB accelerates the repayment of borrowings, if any, we may not have sufficient funds to repay our existing debt. Our outstanding balance for the A&R Credit Facility, 2017 Convertible Term Loan, and 2020 Convertible Term Loan were \$22.8 million, \$19.0 million, and \$35.0 million, respectively, as of March 31, 2020. We had no balance outstanding for the Mezzanine Loan as of March 31, 2020. The revolving line of credit under our A&R Credit Facility is due to mature in October 2021, and the term loan under our A&R Credit Facility is due to mature in September 2021. The 2017 Convertible Term Loan maturity date is in October 2022, the 2020 Convertible Term Loan maturity date is February 28, 2025, and the Mezzanine Facility maturity date is March 1, 2023. We may seek to enter into an extension of such debt arrangements or enter into a new facility with another lender. We may not be able to extend the term or obtain other debt financing on terms that are favorable to us, if at all. If we are unable to obtain adequate financing or financing on satisfactory terms when required, our ability to support our business growth and to respond to business challenges could be significantly impaired, and our business may be harmed.

We may acquire or invest in companies, which may divert our management's attention and result in additional dilution to our stockholders. We may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions.

We may evaluate and consider potential strategic transactions, including acquisitions of, or investments in, businesses, technologies, services, products, and other assets in the future. An acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel, or operations of the acquired companies. Key personnel of the acquired companies may choose not to work for us, their software may not be easily adapted to work with ours, or we may have difficulty retaining the customers of any acquired business due to changes in ownership, management, or otherwise. We may also experience difficulties integrating personnel of the acquired company into our business and culture. Acquisitions may also disrupt our business, divert our resources and require significant management attention that would otherwise be available for development of our existing business. The anticipated benefits of any acquisition, investment, or business relationship may not be realized or we may be exposed to unknown risks or liabilities.

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

- issue additional equity securities that would dilute our stockholders;
- use cash that we may need in the future to operate our business;
- incur debt on terms unfavorable to us or that we are unable to repay;

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- incur large charges or substantial liabilities;
- encounter difficulties retaining key employees of the acquired company or integrating diverse software codes or business cultures; and
- become subject to adverse tax consequences, substantial depreciation, or deferred compensation charges.

Risks related to owning our Series 1 common stock and this offering

There may not be an active trading market for our Series 1 common stock, which may cause shares of our Series 1 common stock to trade at a discount from the initial public offering price and make it difficult to sell the shares of Series 1 common stock you purchase.

Prior to this offering, there has been no public market for our Series 1 common stock. It is possible that after this offering, an active trading market will not develop or, if developed, that any market will not be sustained. This would make it difficult for you to sell your shares of Series 1 common stock at an attractive price or at all. The initial public offering price per share of Series 1 common stock was determined through discussions among the representatives of the underwriters and us. It may not be indicative of the price at which shares of our Series 1 common stock will trade in the public market after this offering.

The market price of shares of our Series 1 common stock may be volatile, which could cause the value of your investment to decline.

Even if an active trading market develops, the market price of our Series 1 common stock may be highly volatile and could be subject to wide fluctuations. Securities markets worldwide experience significant price and volume fluctuations. The securities markets have experienced significant volatility as a result of the COVID-19 pandemic. Market volatility, as well as general economic, market, or political conditions, could reduce the market price of shares of our Series 1 common stock regardless of our operating performance.

Our operating results could be below the expectations of public market analysts and investors due to a number of potential factors, including: (1) variations in our quarterly operating results or dividends, if any, to stockholders, (2) additions or departures of key management personnel, (3) publication of research reports about our industry, (4) litigation and government investigations, (5) changes or proposed changes in laws or regulations or differing interpretations or enforcement of laws or regulations affecting our business, (6) adverse market reaction to any indebtedness we may incur or securities we may issue in the future, (7) changes in market valuations of similar companies, (8) speculation in the press or investment community, (9) announcements by our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures, or capital commitments, (10) the impact of the COVID-19 pandemic on our management, employees, partners, customers, and operating results, and (11) adverse publicity about the industries we participate in or individual scandals. In response, the market price of shares of our Series 1 common stock could decrease significantly. You may be unable to resell your shares of Series 1 common stock at or above the initial public offering price.

Following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. Such litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Our ability to timely raise capital in the future may be limited, or may be unavailable on acceptable terms, if at all. Our failure to raise capital when needed could harm our business, operating results and financial condition. Debt or equity issued to raise additional capital may reduce the value of our Series 1 common stock.

We have funded our operations since inception primarily through equity financings, debt, and payments by our customers for use of our platform and related services. We cannot be certain when or if our operations will generate sufficient cash to fund our ongoing operations or the growth of our business.

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We intend to continue to make investments to support our business and may require additional funds. Additional financing may not be available on favorable terms, if at all. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, operating results and financial condition. If we incur additional debt, the debt holders could have rights senior to holders of Series 1 common stock to make claims on our assets. The terms of any debt could restrict our operations, including our ability to pay dividends on our Series 1 common stock. If we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our Series 1 common stock. Because our decision to issue securities in the future offering will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our Series 1 common stock and diluting their interest.

Insiders will continue to have substantial control over us after this offering, which may limit our stockholders' ability to influence corporate matters and delay or prevent a third party from acquiring control over us.

Upon completion of this offering, our directors, executive officers, and current beneficial owners of 5% or more of our voting securities and their respective affiliates will beneficially own, in the aggregate, approximately 71% of our outstanding Series 1 common stock compared to approximately 11% represented by the shares sold in this offering excluding any potential purchases in this offering by the foregoing persons and entities. Further, we anticipate that Steven Murray, a member of our board of directors and the operating manager of the ultimate general partner of Revolution Growth, Lawrence Bohn, a member of our board of directors and a partner of General Catalyst Group, and Jeff Richards, a member of our board of directors and managing director of GGVCapital, will beneficially own an aggregate of approximately 14%, 15%, and 5% of our Series 1 common stock, respectively, following this offering excluding any potential purchases in this offering by the foregoing persons and entities. This significant concentration of ownership may adversely affect the trading price for our Series 1 common stock because investors often perceive disadvantages in owning stock in companies with controlling stockholders. In addition, these stockholders will be able to exercise influence over all matters requiring stockholder approval, including the election of directors and approval of corporate transactions, such as a merger or other sale of our company or its assets. This concentration of ownership could limit your ability to influence corporate matters and may have the effect of delaying or preventing a change in control, including a merger, consolidation or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if that change in control would benefit our other stockholders. For information regarding the ownership of our outstanding stock by our executive officers, directors, and current beneficial owners of 5% or more of our voting securities and their respective affiliates, please see the section titled "Principal Stockholders."

We have no current plans to pay cash dividends on our Series 1 common stock; as a result, you may not receive any return on investment unless you sell your Series 1 common stock for a price greater than that which you paid for it.

We have no current plans to pay dividends on our Series 1 common stock. Any future determination to pay dividends will be made at the discretion of our board of directors, subject to applicable laws. It will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual, legal, tax and regulatory restrictions, general business conditions, and other factors that our board of directors may deem relevant. In addition, our ability to pay cash dividends is restricted by the terms of our debt financing arrangements, and any future debt financing arrangement likely will contain terms restricting or limiting the amount of dividends that may be declared or paid on our common stock. As a result, you may not receive any return on an investment in our Series 1 common stock unless you sell your Series 1 common stock for a price greater than that which you paid for it.

If our operating and financial performance in any given period does not meet the guidance that we provide to the public or the expectations of investment analysts, the market price of our Series 1 common stock may decline.

We may, but are not obligated to, provide public guidance on our expected operating and financial results for future periods. Any such guidance will comprise forward-looking statements, subject to the risks and uncertainties described in this prospectus and in our other public filings and public statements. Our ability to provide this public guidance, and our ability to accurately forecast our results of operations, may be impacted by the COVID-19 pandemic. Our actual results may not always be in line with or exceed any guidance we have provided, especially in times of economic uncertainty, such as the current global economic uncertainty being experienced as a result of the COVID-19 pandemic. If, in the future, our operating or financial results for a particular period do not meet any guidance we provide or the expectations of investment analysts, or if we reduce our guidance for future periods, the market price of our Series 1 common stock may decline as well. Even if we do issue public guidance, there can be no assurance that we will continue to do so in the future.

We will incur increased costs and become subject to additional regulations and requirements as a result of becoming a public company. This could lower our profits or make it more difficult to run our business.

As a public company, we will incur significant legal, accounting, and other expenses that we have not incurred as a private company, including costs associated with public company reporting requirements. We also have incurred and will continue to incur costs associated with the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley”), and related rules implemented by the SEC and Nasdaq. The expenses generally incurred by public companies for reporting and corporate governance purposes have been increasing. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly. We are currently unable to estimate these costs with any certainty. These laws and regulations also could make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance. We may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on our board committees, or as our executive officers. If we are unable to satisfy our obligations as a public company, we could be subject to delisting of our Series 1 common stock, fines, sanctions, and other regulatory action and potentially civil litigation.

We are an “emerging growth company.” The reduced public company reporting requirements applicable to emerging growth companies may make our Series 1 common stock less attractive to investors.

We qualify as an “emerging growth company,” as defined in the JOBS Act. While we remain an emerging growth company, we are permitted and plan to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These provisions include: (1) presenting only two years of audited financial statements, (2) presenting only two years of related selected financial data and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosure, (3) an exemption from compliance with the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to Section 404 of Sarbanes-Oxley, (4) not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements, (5) reduced disclosure obligations regarding executive compensation arrangements in our periodic reports, registration statements, and proxy statements, and (6) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, the information we provide will be different than the information that is available with respect to other public companies that are not emerging growth companies.

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In this prospectus, we have not included all of the executive compensation-related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our Series 1 common stock less attractive if we rely on these exemptions. If some investors find our Series 1 common stock less attractive as a result, there may be a less active trading market for our Series 1 common stock. The market price of our Series 1 common stock may be more volatile.

We will remain an emerging growth company until the earliest of: (1) the end of the fiscal year in which the fifth anniversary of the closing of this offering occurs, (2) the first fiscal year after our annual gross revenue exceed \$1.07 billion, (3) the date on which we have, during the immediately preceding three-year period, issued more than \$1.0 billion in non-convertible debt securities, and (4) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeds \$700 million as of the end of the second quarter of that fiscal year.

If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports, and the market price of our Series 1 common stock may decline.

As a public company, we will be required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. In addition, beginning with our second annual report on Form 10-K, we will be required to furnish a report by management on the effectiveness of our internal control over financial reporting, pursuant to Section 404 of Sarbanes-Oxley. The process of designing, implementing, and testing the internal control over financial reporting required to comply with this obligation is time-consuming, costly, and complicated.

If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 of Sarbanes-Oxley in a timely manner, or if we are unable to assert that our internal control over financial reporting is effective, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Series 1 common stock could decline. We could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

Increases in interest rates may cause the market price of our Series 1 common stock to decline.

Interest rates are at or near record lows. Increases in interest rates may cause a corresponding decline in demand for equity investments. Any such increase in interest rates or reduction in demand for our Series 1 common stock resulting from other relatively more attractive investment opportunities may cause the market price of our Series 1 common stock to decline.

If securities or industry analysts do not publish research or reports about our business or publish negative reports, the market price of our Series 1 common stock could decline.

The trading market for our Series 1 common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If regular publication of research reports ceases, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume of our Series 1 common stock to decline. Moreover, if one or more of the analysts who cover us downgrades our Series 1 common stock or if our reporting results do not meet their expectations, the market price of our Series 1 common stock could decline.

We will have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management currently intends to use the net proceeds from this offering in the manner described in “Use of Proceeds” and will have broad discretion in the application of a significant part of the net proceeds from this offering. The failure by our management to apply these funds effectively could result in financial losses that could harm our business, cause the market price of our Series 1 common stock to decline, and delay the development of our operations. We may invest the net proceeds from this offering in a manner that does not contribute to the growth and financial performance of our business, which would negatively impact the value of our Series 1 common stock.

Investors in this offering will experience immediate and substantial dilution.

The initial public offering price per share of Series 1 common stock will be substantially higher than our pro forma net tangible book value per share immediately after this offering. If you purchase shares of our Series 1 common stock in this offering, you will suffer immediate dilution of \$17.25 per share, or \$17.01 per share if the underwriters exercise their option to purchase additional shares in full. This represents the difference between (1) our pro forma as adjusted net tangible book value per share after giving effect to the sale of Series 1 common stock in this offering, and (2) the assumed initial public offering price of \$19.00 per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus. See “Dilution.”

You will be diluted by the future issuance of common stock, preferred stock or securities convertible into common or preferred stock, in connection with our incentive plans, acquisitions, capital raises or otherwise.

After this offering we will have 60,792,991 shares of Series 1 common stock and 5,050,555 shares of Series 2 common stock. Our amended and restated certificate of incorporation, which will become effective prior to the closing of this offering, authorizes us to issue these shares of common stock and options, rights, warrants, and appreciation rights relating to common stock for the consideration and on the terms and conditions established by our board of directors in its sole discretion, whether in connection with acquisitions or otherwise.

In the future, we expect to obtain financing or to further increase our capital resources by issuing additional shares of our capital stock or offering debt or other equity securities, including senior or subordinated notes, or debt securities convertible into equity or shares of preferred stock. Issuing additional shares of our capital stock or other equity securities or securities convertible into equity may dilute the economic and voting rights of our existing stockholders or reduce the market price of our Series 1 common stock or both. Debt securities convertible into equity could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Shares of preferred stock, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of our Series 1 common stock. Additional shares of Series 2 common stock, if issued, may further dilute the economic rights of our Series 1 common stock. Holders of our Series 1 common stock are not entitled to receive economic consideration per share for their shares in excess of that payable to the holders of the then outstanding shares of Series 2 common stock in the event of a merger, consolidation or tender or exchange offer. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing, or nature of our future offerings. As a result, holders of our Series 1 common stock bear the risk that our future offerings may reduce the market price of our Series 1 common stock and dilute their stockholdings in us. See “Description of Capital Stock.”

We have initially reserved 3,873,885 shares of Series 1 common stock for issuance under our 2020 Plan, which may be increased by shares that remained available for issuance under our 2013 Plan upon its termination or that are subject to awards granted under our 2013 Plan that may expire or terminate without having been exercised or settled in full. Any Series 1 common stock that we issue, including under our 2013 Plan and 2020

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Plan or other equity incentive plans that we may adopt in the future, would dilute the percentage ownership held by the investors who purchase Series 1 common stock in this offering. We intend to file one or more registration statements on Form S-8 under the Securities Act of 1933, as amended (the “Securities Act”), to register shares of our Series 1 common stock or securities convertible into or exchangeable for shares of our Series 1 common stock issued pursuant to our 2013 Plan, 2020 Plan, and 2020 ESPP. Any such Form S-8 registration statements will automatically become effective upon filing. Accordingly, shares registered under such registration statements will be available for sale in the open market.

If we or the pre-IPO investors sell additional shares of our Series 1 common stock after this offering, the market price of our Series 1 common stock could decline.

The sale of substantial amounts of shares of our Series 1 common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Series 1 common stock. These sales, or the possibility that these sales may occur, might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. Upon the closing of this offering, we will have a total of 60,792,991 shares of our Series 1 common stock outstanding (or 61,820,491 shares if the underwriters exercise in full their option to purchase additional shares of Series 1 common stock) and an additional 411,268 shares of our Series 1 common stock issuable upon the full exercise of our outstanding warrants. Of the outstanding 60,792,991 shares of Series 1 common stock, the 6,850,000 shares sold in this offering (or 7,877,500 shares if the underwriters exercise in full their option to purchase additional shares of Series 1 common stock) will be freely tradable without restriction or further registration under the Securities Act, except that any shares held by our affiliates, as that term is defined under Rule 144 of the Securities Act, may be sold only in compliance with the limitations described in “Shares Eligible for Future Sale.”

The remaining 53,942,991 outstanding shares of Series 1 common stock held by or issuable to our pre-IPO investors and management after this offering will be subject to certain restrictions on resale. We, our officers, directors, and certain pre-IPO investors that collectively will own substantially all of such shares of Series 1 common stock (including shares issuable on exchange of Series 2 common stock) following this offering have signed lock-up agreements with the underwriters or are subject to comparable lock-up restrictions. Subject to certain customary exceptions, these agreements restrict the sale of the shares of our Series 1 common stock held for 180 days following the date of this prospectus. Morgan Stanley & Co. LLC and Barclays Capital Inc., in their sole discretion, may release the securities subject to these lock-up agreements described above in whole or in part at any time prior to the expiration of the restrictive provisions contained in those lock-up agreements. Upon the expiration of the lock-up agreements, all of such shares of Series 1 common stock will be eligible for resale in a public market, subject, in the case of shares held by our affiliates, to volume, manner of sale, and other limitations under Rule 144. Commencing 180 days following this offering, certain pre-IPO investors will have the right, subject to certain exceptions and conditions, to require us to register their shares of Series 1 common stock under the Securities Act, and they will have the right to participate in future registrations of securities by us. Registration of any of these outstanding shares of Series 1 common stock would result in such shares becoming freely tradable without compliance with Rule 144 upon effectiveness of the registration statement. See “Shares Eligible for Future Sale.”

As restrictions on resale end, the market price of our shares of Series 1 common stock could drop significantly if the holders of these restricted shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of common stock or other securities.

Provisions in our organizational documents and certain rules imposed by regulatory authorities may delay or prevent our acquisition by a third party.

Our amended and restated certificate of incorporation and amended and restated bylaws will contain several provisions that may make it more difficult or expensive for a third party to acquire control of us without the

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approval of our board of directors. These provisions, which may delay, prevent or deter a merger, acquisition, tender offer, proxy contest, or other transaction that stockholders may consider favorable, include the following:

- the division of our board of directors into three classes and the election of each class for three-year terms;
- advance notice requirements for stockholder proposals and director nominations;
- provisions limiting stockholders' ability to call special meetings of stockholders, to require special meetings of stockholders to be called, and to take action by written consent;
- restrictions on business combinations with interested stockholders;
- in certain cases, the approval of holders representing at least 66 $\frac{2}{3}$ % of the total voting power of the shares entitled to vote generally in the election of directors will be required for stockholders to adopt, amend or repeal our bylaws, or amend or repeal certain provisions of our certificate of incorporation;
- no cumulative voting;
- the required approval of holders representing at least 66 $\frac{2}{3}$ % of the total voting power of the shares entitled to vote at an election of the directors to remove directors; and
- the ability of our board of directors to designate the terms of and issue new series of preferred stock without stockholder approval, which could be used, among other things, to institute a rights plan that would have the effect of significantly diluting the stock ownership of a potential hostile acquirer, likely preventing acquisitions that have not been approved by our governing body.

These provisions of our amended and restated certificate of incorporation and amended and restated bylaws could discourage potential takeover attempts and reduce the price that investors might be willing to pay for shares of our Series 1 common stock in the future, which could reduce the market price of our Series 1 common stock. For more information, see "Description of Capital Stock."

The provision of our amended and restated certificate of incorporation requiring exclusive venue in the Court of Chancery in the State of Delaware and the federal district courts of the United States for certain types of lawsuits may have the effect of discouraging lawsuits against our directors and officers.

Our amended and restated certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware be the sole and exclusive forum for: (1) any derivative action or proceeding brought on behalf of our company, (2) any action asserting a claim of breach of fiduciary duty owed by any director (including any director serving as a member of the Executive Committee), officer, agent or other employee or stockholder of our company to us or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law ("DGCL"), the amended and restated certificate of incorporation or our bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (4) any action asserting a claim governed by the internal affairs doctrine, in each case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. It will further provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolutions of any complaint asserting a cause of action arising under the Securities Act. The exclusive forum clauses described above shall not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any other claim for which the federal courts have exclusive jurisdiction.

Although we believe these provisions benefit us by providing increased consistency in the application of applicable law in the types of lawsuits to which they apply, the provisions may have the effect of discouraging lawsuits against our directors and officers. The enforceability of similar choice of forum provisions in other

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companies' certificates of incorporation has been challenged in legal proceedings and there is uncertainty as to whether a court would enforce such provisions. In addition, investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. It is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in such action. If so, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

Special Note Regarding Forward-Looking Statements

This prospectus contains forward-looking statements. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions, or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “ongoing,” “plan,” “potential,” “predict,” “project,” “should,” “will,” and similar words or phrases. These forward-looking statements include statements concerning the following:

- the impact of the COVID-19 pandemic and the associated economic uncertainty on us, our customers, and our partners, and our response thereto;
- our expectations regarding our revenue, expenses, sales, and operations;
- anticipated trends and challenges in our business and the markets in which we operate;
- our ability to compete in our industry and innovation by our competitors;
- our ability to anticipate market needs or develop new or enhanced services to meet those needs;
- our ability to manage growth and to expand our infrastructure;
- our ability to establish and maintain intellectual property rights;
- our ability to manage expansion into international markets and new industries;
- our ability to hire and retain key personnel;
- our expectations regarding the use of proceeds from this offering;
- our ability to successfully identify, manage, and integrate any existing and potential acquisitions;
- our ability to adapt to emerging regulatory developments, technological changes, and cybersecurity needs;
- our anticipated cash needs and our estimates regarding our capital requirements and our need for additional financing; and
- other statements described in this prospectus under “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Our Business.”

Although we believe the expectations reflected in these forward-looking statements are reasonable, these statements are not guarantees of future performance and involve risks and uncertainties which are subject to change based on various important factors, some of which are beyond our control. For more information regarding these risks and uncertainties as well as certain additional risks that we face, refer to “Risk Factors,” as well as factors more fully described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this prospectus.

If one or more of the factors affecting the expectations reflected in our forward-looking information and statements proves incorrect, our actual results, performance, or achievements could differ materially from those expressed in, or implied by, forward-looking information and statements. Therefore, we caution the reader not to place undue reliance on any forward-looking information or statements. The effect of these factors is difficult to predict. Factors other than these also could adversely affect our results, and the reader should not consider these factors to be a complete set of all potential risks or uncertainties. New factors emerge from time to time, and management cannot assess the impact of any such factor on our business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. Any forward-looking statements only speak as of the date of this document, and we undertake no obligation to update any forward-looking information or statements, whether written or oral, to reflect any change, except as required by law. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

Market, Industry, and Other Data

This prospectus includes estimates regarding market and industry data and forecasts, which are based on publicly available information, industry publications, and surveys, including from eMarketer, Forrester, Gartner, IDC, and Vertical Web Media LLC (publisher of Digital Commerce 360 and Internet Retailer). These estimates are also based on reports from government agencies and our own estimates based on our management's knowledge of, and experience in, the industry and markets in which we compete. We have not independently verified the accuracy or completeness of the data contained in third-party publications and reports and other publicly available information referred to in this prospectus. None of the third-party publications or reports referred to in this prospectus were prepared on our or on our affiliates' behalf or at our expense.

The sources of certain statistical data, estimates, and forecasts contained in this prospectus are the following independent industry publications or reports:

- eMarketer: Global Ecommerce 2019 Report, published June 2019; US Ecommerce 2020 Report published June 2020;
- IDC: Direct Digital Transformation Investment Spending to Approach \$7.4 Trillion Between 2020 and 2023, published October 2019; Worldwide Digital Commerce Application Forecast 2020-2024, published June 2020;
- Internet Retailer: 2019 Online Marketplaces Report, published June 2019; Leading Vendors to the Top 1000 E-Retailers, published October 2018;
- Digital Commerce 360: 2019 U.S. Top 500 Report, published May 2019;
- Forrester: Digital-Influenced Retail Sales Forecast, 2018 to 2023 (US), published December 2018; US B2B eCommerce Will Hit \$1.8 Trillion By 2023, published January 2019; The Forrester Wave: B2C Commerce Suites, published Q2 2020; The Forrester Wave: B2B Commerce Suites, published Q2 2020; and
- Gartner: Gartner Peer Insights Customers' Choice for Digital Commerce Software, published April 2019.

The Forrester studies described herein represent data, research, opinions, or viewpoints prepared by Forrester and are not representations of fact. We have been advised by Forrester that its studies speak as of their original date (and not as of the date of this prospectus) and any opinions expressed in the studies are subject to change without notice.

The Gartner reports described herein represent research opinion or viewpoints published, as part of a syndicated subscription service by Gartner, and are not representations of fact. Each Gartner report speaks as of its original publication date (and not as of the date of this prospectus), and the opinions expressed in the Gartner reports are subject to change without notice. Gartner Peer Insights Customers' Choice constitute the subjective opinions of individual end-user reviews, ratings, and data applied against a documented methodology; they neither represent the views of, nor constitute an endorsement by, Gartner or its affiliates.

Certain of the market research included in this prospectus was published prior to the outbreak of the pandemic and did not anticipate the virus or the impact it has caused on the adoption of ecommerce. We have utilized this pre-pandemic market research in the absence of updated sources. Similarly, our commentary on industry trends and the market opportunity primarily reflects beliefs held before the pandemic occurred. We are still learning from and reacting to this rapidly evolving situation.

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In presenting this information, we have made certain assumptions that we believe to be reasonable based on such data and other similar sources, and on our knowledge of, and our experience to date in, the markets for our products. Market data is subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process, and other limitations inherent in any statistical survey of market data. These data involve a number of assumptions and limitations which are necessarily subject to a high degree of uncertainty. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors,” that could cause our future performance to differ materially from our assumptions and estimates. In addition, customer preferences are subject to change. Accordingly, you are cautioned not to place undue reliance on such market data.

Use of Proceeds

We estimate that our net proceeds from the sale of our Series 1 common stock in this offering will be approximately \$117.2 million (or approximately \$135.3 million if the underwriters fully exercise their option to purchase additional shares from us in this offering), assuming an initial public offering price of \$19.00 per share, which is the midpoint of the range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

A \$1.00 increase (decrease) in the assumed initial public offering price of \$19.00 per share would increase (decrease) the net proceeds to us from this offering by approximately \$6.4 million, assuming that the number of shares offered, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. Each increase (decrease) of 1,000,000 shares in the number of shares of Series 1 common stock offered by us in this offering, as set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately \$17.7 million, assuming the assumed initial public offering price per share remains the same and after deducting estimated underwriting discounts and commission.

The principal purposes of this offering are to increase our financial flexibility, create a public market for our Series 1 common stock, and facilitate future access to the public equity markets. We intend to use a portion of the net proceeds from this offering to pay in cash the Series F Dividend, which is expected to total \$16.4 million as of the closing of this offering. As a result of the anticipated payment of the Series F Dividend, holders of our Series F preferred stock are expected to receive approximately \$16.4 million of the net proceeds of this offering, including entities affiliated with General Catalyst Group and Lawrence Bohn, a member of our board of directors, and entities affiliated with GGV Capital and Jeff Richards, a member of our board of directors, which are expected to receive approximately \$0.1 million and \$0.3 million, respectively. We intend to use the remainder of the net proceeds from this offering for working capital and general corporate purposes, including sales and marketing, research and development, general and administrative matters, and capital expenditures. We may also use a portion of the net proceeds from this offering to acquire, license, or invest in products, technologies or businesses that are complementary to our business. However, we currently have no agreements or commitments to complete any such transaction.

Our expected use of net proceeds from this offering represents our current intentions based upon our present plans and business condition. As of the date of this prospectus, we cannot predict with complete certainty all of the particular uses for the net proceeds to be received upon the closing of this offering or the actual amounts that we will spend on the uses set forth above.

The timing and amount of our actual application of the net proceeds from this offering will be based on many factors, including our cash flows from operations and the growth of our business. We may find it necessary or advisable to use the net proceeds for other purposes, and we will have broad discretion in the application of the net proceeds. Pending the uses described above, we plan to invest the net proceeds from this offering in short-term, interest-bearing obligations, investment-grade instruments, certificates of deposit, or direct or guaranteed obligations of the U.S. government.

Dividend Policy

We do not anticipate declaring or paying any cash dividends on our capital stock in the foreseeable future, other than the accrued and unpaid Series F Dividend of \$16.4 million to be paid in cash immediately prior to the closing of this offering. Any future determination to declare and pay cash dividends, if any, will be made at the discretion of our board of directors and will depend on a variety of factors, including applicable laws, our financial condition, results of operations, contractual restrictions, capital requirements, business prospects, general business or financial market conditions, and other factors our board of directors may deem relevant. In addition, our ability to pay cash dividends is currently restricted by the terms of the agreements governing our A&R Credit Facility, our 2017 Convertible Term Loan, our 2020 Convertible Term Loan, and our Mezzanine Facility. Our ability to pay cash dividends on our capital stock in the future may also be limited by the terms of any preferred securities we may issue or agreements governing any additional indebtedness we may incur.

Capitalization

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2020 on:

- an actual basis;
- a pro forma basis, to reflect (i) the automatic conversion of all outstanding shares of preferred stock (excluding the shares of Series F preferred stock issuable upon conversion of the 2017 Convertible Term Loan and the exercise of the Purchase Right) into an aggregate of 29,390,733 shares of Series 1 common stock and 5,050,555 shares of Series 2 common stock, (ii) the conversion of our 2017 Convertible Term Loan into shares of our Series F preferred stock, at a conversion price of \$3.059 per share, and the automatic conversion of such shares into 2,056,772 shares of Series 1 common stock, (iii) the exercise of the Purchase Right at the option of the lenders under our 2017 Convertible Term Loan for the purchase of shares of our Series F preferred stock at a purchase price of \$3.059, and the automatic conversion of such shares into 122,588 shares of Series 1 common stock, (iv) the conversion of our 2020 Convertible Term Loan into 3,070,174 shares of Series 1 common stock, at an as-adjusted conversion price of \$11.40 per share, (v) the payment in cash of the Series F Dividend, which is expected to total \$16.4 million as of the closing of this offering, and (vi) the effectiveness of our amended and restated certificate of incorporation, each immediately prior to the closing of this offering; and
- a pro forma as adjusted basis, to further reflect the sale and issuance by us of 6,850,000 shares of Series 1 common stock in this offering, based on an assumed initial public offering price of \$19.00 per share of Series 1 common stock, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

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You should read this table, together with the information contained in this prospectus, including “Use of Proceeds,” “Selected Consolidated Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and the audited consolidated financial statements and related notes included elsewhere in this prospectus.

	As of March 31, 2020		
	Actual	Pro forma	Pro forma as adjusted
	(in thousands, except per share amounts)		
Cash and cash equivalents	\$ 33,026	\$ 17,670	\$ 134,859
Long-term debt, including current portion	\$ 71,706	\$ 22,843	\$ 22,843
Convertible preferred stock, par value \$0.0001 per share (Series A, B, C, D, D-1, E, E-1, and F): 102,030,573 shares authorized; 102,030,573 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	225,499	—	—
Stockholders’ (deficit) equity:			
Preferred stock, \$0.0001 par value per share: no shares authorized, no shares issued and outstanding, actual; 10,000,000 shares authorized, no shares issued and outstanding, pro forma; 10,000,000 shares authorized, no shares issued and outstanding, pro forma as adjusted	—	—	—
Series 1 common stock, \$0.0001 par value per share: 205,000,000 shares authorized, 18,992,406 shares issued and outstanding, actual; 500,000,000 shares authorized, 53,942,991 shares issued and outstanding, pro forma; 500,000,000 shares authorized, 60,792,991 shares issued and outstanding, pro forma as adjusted	2	14	14
Series 2 common stock, \$0.0001 par value per share: 45,000,000 shares authorized, no shares issued and outstanding, actual; 5,050,555 shares authorized, 5,050,555 shares issued and outstanding, pro forma and pro forma as adjusted	—	—	—
Additional paid-in capital	18,953	285,675	402,863
Accumulated deficit	(280,663)	(288,391)	(288,391)
Total stockholders’ (deficit) equity	(261,708)	(2,702)	114,486
Total capitalization	\$ 35,497	\$ 20,141	\$ 137,329

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$19.00 per share of Series 1 common stock, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders’ (deficit) equity, and total capitalization by approximately \$6.4 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions. Each increase (decrease) of 1,000,000 shares in the number of shares of Series 1 common stock offered by us in this offering, as set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders’ (deficit) equity, and total capitalization by approximately \$17.7 million, assuming the assumed initial public offering price per share remains the same and after deducting estimated underwriting discounts and commissions.

The outstanding share information in the table above excludes:

- 9,436,981 shares of Series 1 common stock issuable upon the exercise of options outstanding as of March 31, 2020 under our 2013 Plan, at a weighted-average exercise price of \$2.94 per share;
- 2,832,664 shares of Series 1 common stock available for issuance under our 2013 Plan as of March 31, 2020, which shall be added to the number of shares reserved for issuance under our 2020 Plan upon termination of the 2013 Plan in connection with this offering and of which we have granted options to purchase 318,495 shares of Series 1 common stock and restricted stock units representing 1,215,890 shares of our Series 1 common stock subsequent to March 31, 2020;

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- 411,268 shares of Series 1 common stock issuable upon the exercise of warrants outstanding as of March 31, 2020, with a weighted-average exercise price of \$4.24 per share;
- 310,318 shares of Series 1 common stock subject to vesting conditions and a right of repurchase;
- 3,873,885 shares of Series 1 common stock initially reserved for issuance under our 2020 Plan, which will become effective in connection with this offering, as well as shares of our Series 1 common stock that may be issued pursuant to provisions in our 2020 Plan that automatically increase the Series 1 common stock reserve under our 2020 Plan; and
- 1,936,943 shares of Series 1 common stock reserved for issuance under our 2020 ESPP, which will become effective in connection with this offering, as well as shares of our Series 1 common stock that may be issued pursuant to provisions in our 2020 ESPP that automatically increase the Series 1 common stock reserve under our 2020 ESPP.

Dilution

If you invest in the initial public offering of our Series 1 common stock, your interest will be diluted to the extent of the excess of the initial public offering price per share of our Series 1 common stock over the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering.

Our historical net tangible book value (deficit) as of March 31, 2020 was \$(261.7) million, or \$(13.78) per share of common stock. Our historical net tangible book value (deficit) is the amount of our total tangible assets less our total liabilities and the carrying value of our redeemable convertible preferred stock, which is not included within stockholders' equity (deficit). Historical net tangible book value (deficit) per share represents historical net tangible book value (deficit) divided by the total number of shares of Series 1 common stock and Series 2 common stock outstanding as of March 31, 2020.

Our pro forma net tangible book value as of March 31, 2020 was \$(2.7) million, or \$(0.05) per share of common stock. Pro forma net tangible book value represents the amount of our total tangible assets less our total liabilities, after giving effect to: (i) the automatic conversion of all outstanding shares of our preferred stock (excluding the shares of Series F preferred stock issuable upon conversion of the 2017 Convertible Term Loan and the exercise of the Purchase Right) into an aggregate of 29,390,733 shares of Series 1 common stock and 5,050,555 shares of Series 2 common stock, (ii) the conversion of our 2017 Convertible Term Loan into shares of our Series F preferred stock, at a conversion price of \$3.059 per share, and the automatic conversion of such shares into 2,056,772 shares of Series 1 common stock, (iii) the exercise of the Purchase Right at the option of the lenders under our 2017 Convertible Term Loan for the purchase of shares of our Series F preferred stock at a purchase price of \$3.059, and the automatic conversion of such shares into 122,588 shares of Series 1 common stock, (iv) the conversion of our 2020 Convertible Term Loan into 3,070,174 shares of Series 1 common stock, at an as-adjusted conversion price of \$11.40 per share, and (v) the payment in cash of the Series F Dividend, which is expected to total \$16.4 million as of the closing of this offering, in each case immediately prior to the closing of this offering. Pro forma net tangible book value per share represents pro forma net tangible book value divided by the total number of shares of Series 1 common stock and Series 2 common stock outstanding as of March 31, 2020, after giving effect to the pro forma adjustments described above.

After giving effect to the sale and issuance by us of 6,850,000 shares of Series 1 common stock in this offering, at an assumed initial public offering price of \$19.00 per share of Series 1 common stock, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value at March 31, 2020 would have been \$114.5 million, or \$1.75 per share of common stock. Dilution per share to new investors purchasing shares in this offering is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share of Series 1 common stock paid by new investors purchasing shares in this offering.

The following table illustrates the immediate dilution on a per share basis to new investors purchasing shares in this offering.

Assumed initial public offering price per share of Series 1 common stock	\$19.00
Historical net tangible book value (deficit) per share as of March 31, 2020	\$(13.78)
Increase per share attributable to the pro forma adjustments described above	<u>13.73</u>
Pro forma net tangible book value per share as of March 31, 2020	(0.05)
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares in this offering	<u>1.79</u>
Pro forma as adjusted net tangible book value per share after this offering	<u>1.75</u>
Dilution per share to new investors purchasing shares in this offering	<u>\$17.25</u>

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The pro forma as adjusted dilution information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. Each \$1.00 increase (decrease) in the assumed initial public offering price of \$19.00 per share of Series 1 common stock, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value by \$6.4 million, or \$0.09 per share of Series 1 common stock, assuming that the number of shares of Series 1 common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. Each increase of 1,000,000 shares in the number of shares of Series 1 common stock offered by us would increase our pro forma as adjusted net tangible book value per share after this offering by \$0.24 and decrease the dilution per share to new investors by \$0.24, assuming the assumed initial public offering price per share remains the same and after deducting estimated underwriting discounts. Each decrease of 1,000,000 shares in the number of shares of Series 1 common stock offered by us would decrease our pro forma as adjusted net tangible book value per share after this offering by \$0.25 and increase the dilution per share to new investors by \$0.25, assuming the assumed initial public offering price per share remains the same and after deducting estimated underwriting discounts and commissions.

If the underwriters exercise in full their option to purchase additional shares of Series 1 common stock from us in this offering, our pro forma as adjusted net tangible book value after the offering would be \$1.99 per share, and the dilution to new investors would be \$17.01 per share, in each case assuming an initial public offering price of \$19.00 per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, on the same pro forma as adjusted basis described above as of March 31, 2020, the total number of shares of common stock purchased from us, the total cash consideration paid to us and the average price per share paid by existing stockholders and by new investors purchasing shares of Series 1 common stock in this offering at an assumed initial stock price of \$19.00 per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	<u>Shares purchased</u>		<u>Total consideration</u>		<u>Weighted-average price per share</u>
	<u>Number</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
Existing stockholders	58,993,546	89.6%	\$272,409,770	67.7%	\$ 4.62
New investors	6,850,000	10.4	130,150,000	32.3	19.00
Total	65,843,546	100%	\$402,559,770	100%	\$ 6.11

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$19.00 per share of Series 1 common stock, which is the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) total consideration paid by new investors in this offering and total consideration paid by all investors by approximately \$6.9 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. Each increase (decrease) of 1,000,000 shares in the number of shares of Series 1 common stock offered by us, as set forth on the cover of this prospectus, would increase (decrease) the total consideration paid by new investors by \$19.0 million and, in the case of an increase, would increase the percentage of total consideration paid by new investors by 3.0 percentage points and, in the case of a decrease, would decrease the percentage of total consideration paid by new investors by 3.4 percentage points, assuming the assumed initial public offering price per share remains the same.

If the underwriters exercise in full their option to purchase additional shares of Series 1 common stock, the percentage of shares of our common stock held by existing stockholders would be decreased to 88.2% of the total

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number of our common stock outstanding after this offering, and the number of shares held by new investors participating in this offering would be increased to 11.8% of the total number of shares of our common stock outstanding after this offering.

The foregoing table excludes:

- 9,436,981 shares of Series 1 common stock issuable upon the exercise of options outstanding as of March 31, 2020 under our 2013 Plan, at a weighted-average exercise price of \$2.94 per share;
- 2,832,664 shares of Series 1 common stock available for issuance under our 2013 Plan as of March 31, 2020, which shall be added to the number of shares reserved for issuance under our 2020 Plan upon termination of the 2013 Plan in connection with this offering and of which we have granted options to purchase 318,495 shares of Series 1 common stock and restricted stock units representing 1,215,890 shares of our Series 1 common stock subsequent to March 31, 2020;
- 411,268 shares of Series 1 common stock issuable upon the exercise of warrants outstanding as of March 31, 2020, with a weighted-average exercise price of \$4.24 per share;
- 310,318 shares of Series 1 common stock subject to vesting conditions and a right of repurchase;
- 3,873,885 shares of Series 1 common stock initially reserved for issuance under our 2020 Plan, which will become effective in connection with this offering, as well as shares of our Series 1 common stock that may be issued pursuant to provisions in our 2020 Plan that automatically increase the number of shares of Series 1 common stock reserved for issuance under our 2020 Plan; and
- 1,936,943 shares of Series 1 common stock reserved for issuance under our 2020 ESPP, which will become effective in connection with this offering, as well as shares of our Series 1 common stock that may be issued pursuant to provisions in our 2020 ESPP that automatically increase the Series 1 common stock reserve under our 2020 ESPP.

To the extent any of the outstanding options or warrants are exercised or new options or other securities are issued under our equity incentive plans, you will experience further dilution as a new investor in this offering. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

Selected Consolidated Financial Data

The following tables present selected consolidated financial data for our business. The selected statement of operations data presented below for the years ended December 31, 2018 and 2019 and the selected balance sheet data as of December 31, 2018 and 2019 have been derived from our audited consolidated financial statements appearing at the end of this prospectus. The selected statement of operations data presented below for the three months ended March 31, 2019 and 2020 and the selected balance sheet data as of March 31, 2020 have been derived from our unaudited consolidated financial statements appearing at the end of this prospectus. In the opinion of management, the unaudited data reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the financial information in those statements. Our historical results are not necessarily indicative of the results that should be expected in the future and the results for the three months ended March 31, 2020 are not necessarily indicative of the results to be expected for the full year ending December 31, 2020 or any other future period. The following selected historical consolidated financial data is qualified in its entirety by reference to, and should be read in conjunction with, our audited consolidated financial statements and related notes, and the information under “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and other financial information included in this prospectus.

	Year Ended December 31,		Three Months Ended March 31,	
	2018	2019	2019	2020
(in thousands, except per share amounts)				
Consolidated Statement of Operations Data:				
Revenue	\$ 91,867	\$ 112,103	\$ 25,584	\$ 33,174
Cost of revenue ⁽¹⁾	21,937	27,023	5,925	7,480
Gross profit	69,930	85,080	19,659	25,694
Operating expenses:				
Sales and marketing ⁽¹⁾	45,928	60,740	14,136	15,762
Research and development ⁽¹⁾	42,485	43,123	10,832	10,921
General and administrative ⁽¹⁾	19,497	22,204	4,999	6,466
Total operating expenses	107,910	126,067	29,967	33,149
Loss from operations	(37,980)	(40,987)	(10,308)	(7,455)
Interest income	653	245	155	1
Interest expense	(1,489)	(1,612)	(360)	(762)
Change in fair value of financial instrument	-	-	-	4,413
Other expense	(52)	(208)	(21)	(203)
Loss before provision for income taxes	(38,868)	(42,562)	(10,534)	(4,006)
Provision for income taxes	10	28	7	17
Net loss	<u>\$ (38,878)</u>	<u>\$ (42,590)</u>	<u>\$ (10,541)</u>	<u>\$ (4,023)</u>
Cumulative dividends and accretion of issuance costs on Series F preferred stock	(4,712)	(7,308)	(1,736)	(1,745)
Net loss attributable to common stockholders	<u>\$ (43,590)</u>	<u>\$ (49,898)</u>	<u>\$ (12,277)</u>	<u>\$ (5,768)</u>
Basic and diluted net loss per share attributable to common stockholders ⁽²⁾	<u>\$ (2.59)</u>	<u>\$ (2.80)</u>	<u>\$ (0.70)</u>	<u>\$ (0.31)</u>
Weighted-average number of shares used to compute basic and diluted net loss per share attributable to common stockholders ⁽²⁾	<u>16,807</u>	<u>17,834</u>	<u>17,487</u>	<u>18,645</u>
Basic and diluted pro forma net loss per share attributable to Series 1 and Series 2 common stockholders ⁽³⁾		<u>\$ (0.75)</u>		<u>\$ (0.06)</u>
Weighted-average number of shares used to compute pro forma net loss per share attributable to Series 1 and Series 2 common stockholders, basic and diluted ⁽³⁾		<u>55,120</u>		<u>57,128</u>

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- (1) Includes stock-based compensation expense as follows:

	Year Ended December 31,		Three Months Ended March 31,	
	2018	2019	2019	2020
	(in thousands)			
Cost of revenue	\$ 82	\$ 191	\$ 22	\$ 73
Sales and marketing	388	838	133	289
Research and development	432	666	71	305
General and administrative	1,169	1,461	369	359
Total stock-based compensation expense	<u>\$ 2,071</u>	<u>\$ 3,156</u>	<u>\$ 595</u>	<u>\$ 1,026</u>

- (2) See Note 11 to our audited consolidated financial statements appearing at the end of this prospectus for an explanation of the calculations of basic and diluted net loss per share attributable to common stockholders.
- (3) See Note 11 to our audited consolidated financial statements appearing at the end of this prospectus for an explanation of the calculations of pro forma basic and diluted net loss per share attributable to common stockholders.

In addition to our consolidated statements of operations data as determined in accordance with GAAP, we believe the following non-GAAP measure is useful in evaluating our business performance.

	Year Ended December 31,		Three Months Ended March 31,	
	2018	2019	2019	2020
	(in thousands)			
Other Financial Data:				
Adjusted EBITDA ⁽¹⁾	\$ (34,117)	\$ (35,470)	\$ (9,201)	\$ (5,725)

- (1) This financial measure is not calculated in accordance with GAAP. See “—Non-GAAP financial measures” for information regarding our use of this non-GAAP financial measure and a reconciliation of such measure to its nearest comparable financial measure calculated and presented in accordance with GAAP.

	As of December 31,		As of March 31,
	2018	2019	2020
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	\$ 12,793	\$ 7,795	\$ 33,026
Working capital ⁽¹⁾	25,483	(2,243)	25,544
Total assets	59,104	56,064	82,048
Total liabilities	54,134	89,613	118,257
Convertible preferred stock	216,446	223,754	225,499
Total stockholders' (deficit) equity	(211,476)	(257,303)	(261,708)

- (1) We define working capital as current assets less current liabilities.

Non-GAAP financial measures

To supplement our financial statements presented in accordance with GAAP and to provide investors with additional information regarding our financial results, we have presented in this prospectus adjusted EBITDA, a non-GAAP financial measure. Adjusted EBITDA is not based on any standardized methodology prescribed by GAAP and is not necessarily comparable to similarly titled measures presented by other companies.

We define adjusted EBITDA as our net loss, excluding the impact of stock-based compensation expense, depreciation and amortization expense, interest income, interest expense, change in fair value of financial instruments, and our provision for income taxes. The most directly comparable GAAP measure is net loss. We

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monitor and have presented in this prospectus adjusted EBITDA because it is a key measure used by our management and board of directors to understand and evaluate our operating performance, to establish budgets, and to develop operational goals for managing our business. In particular, we believe excluding the impact of these expenses in calculating adjusted EBITDA can provide a useful measure for period-to-period comparisons of our core operating performance. We believe adjusted EBITDA helps identify underlying trends in our business that could otherwise be masked by the effect of the expenses that we include in net loss. Accordingly, we believe adjusted EBITDA provides useful information to investors, analysts, and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects.

Adjusted EBITDA is not prepared in accordance with GAAP and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with GAAP. There are a number of limitations related to the use of adjusted EBITDA rather than net loss, which is the most directly comparable financial measure calculated and presented in accordance with GAAP. Some of these limitations are:

- adjusted EBITDA excludes stock-based compensation expense as it has recently been, and will continue to be for the foreseeable future, a significant recurring non-cash expense for our business;
- adjusted EBITDA excludes depreciation and amortization expense and, although this is a non-cash expense, the assets being depreciated and amortized may have to be replaced in the future;
- adjusted EBITDA does not reflect the cash requirements necessary to service interest on our debt which affects the cash available to us;
- adjusted EBITDA does not reflect the monies earned from our investments since it does not reflect our core operations;
- adjusted EBITDA does not reflect change in fair value of financial instruments including derivatives since it does not reflect our core operations and is a non-cash expense;
- adjusted EBITDA does not reflect income tax expense that affects cash available to us; and
- the expenses and other items that we exclude in our calculations of adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude from adjusted EBITDA when they report their operating results.

In addition, other companies may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

The following table reconciles adjusted EBITDA to net loss, the most directly comparable financial measure calculated and presented in accordance with GAAP.

Reconciliation of net loss to adjusted EBITDA:

	Year Ended December 31,		Three Months Ended March 31,	
	2018	2019	2019	2020
	(in thousands)			
Net loss	\$ (38,878)	\$ (42,590)	\$ (10,541)	\$ (4,023)
Stock-based compensation expense	2,071	3,156	595	1,026
Depreciation and amortization	1,844	2,569	533	907
Interest income	(653)	(245)	(155)	(1)
Interest expense	1,489	1,612	360	762
Change in fair value of financial instrument	-	-	-	(4,413)
Provisions for income taxes	10	28	7	17
Adjusted EBITDA	<u>\$ (34,117)</u>	<u>\$ (35,470)</u>	<u>\$ (9,201)</u>	<u>\$ (5,725)</u>

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in "Risk Factors." See "Special Note Regarding Forward-Looking Statements."

Overview

BigCommerce is leading a new era of ecommerce. Our SaaS platform simplifies the creation of beautiful, engaging online stores by delivering a unique combination of ease-of-use, enterprise functionality, and flexibility. We power both our customers' branded ecommerce stores and their cross-channel connections to popular online marketplaces, social networks, and offline POS systems. As of June 1, 2020, we served approximately 60,000 online stores across industries in approximately 120 countries.

We provide a comprehensive platform for launching and scaling an ecommerce operation, including store design, catalog management, hosting, checkout, order management, reporting, and pre-integration into third-party services like payments, shipping, and accounting. All our stores run on a single code base and share a global, multi-tenant architecture purpose built for security, high performance, and innovation. Our platform serves stores in a wide variety of sizes, product categories, and purchase types, including B2C and B2B. Our customers include Avery Dennison, Ben & Jerry's, Burrow, SC Johnson, SkullCandy, Sony, and Woolrich.

We offer access to our platform on a subscription basis, which accounted for 77% and 74% of our revenue for the years ended December 31, 2018 and 2019, respectively. We serve customers with subscription plans tailored to their size and feature needs. For our larger customers, our Enterprise plan offers our full feature set at a monthly subscription price tailored to each business. For SMBs, BigCommerce Essentials offers three retail plans: Standard, Plus, and Pro, priced at \$29.95, \$79.95, and \$299.95 per month, respectively.

Since our founding, we have achieved several key milestones and implemented important strategic initiatives that impact our business today.

- **2009:** BigCommerce launches in Sydney, Australia, with a simple, low-cost, all-in-one ecommerce solution, delivered through the cloud, targeting the SMB segment.
- **2010:** BigCommerce's customer base reaches 10,000 online stores.
- **2011–2014:** Headquarters relocate to Austin, Texas. We raise private capital in a series of investment rounds to fund growth from investors including General Catalyst, Revolution Growth, and Softbank.
- **2015:** Brent Bellm joins as president and chief executive officer. New executive team expands focus to mid-market and large enterprise customer segments, investing significantly in research and development over the subsequent five-year period.
- **2016–2018:** BigCommerce raises additional rounds of private capital from investors including GGV Capital and Goldman Sachs. Using an "open SaaS" strategy, we expand our ecosystem of technology and service partners that offer complementary capabilities such as payments, shipping, marketing, and accounting. ARR surpasses \$100 million.
- **2019:** BigCommerce expands go-to-market teams in Europe and Australia, launches a presence in Asia, and scales engineering capacity in Kyiv, Ukraine. We reach approximately 60,000 stores. Our

“headless” commerce capabilities gain traction across a wide range of leading CMSs and progressive web application frameworks.

Our business has experienced strong growth. Our ARR reached \$102.2 million as of December 31, 2018, \$128.5 million as of December 31, 2019, and \$137.1 million as of March 31, 2020. Our ARR growth rate increased from 22.3% in 2018 to 25.8% in 2019 and from 21.6% for the three months ended March 31, 2019 to 26.8% for the three months ended March 31, 2020. Our revenue increased from \$91.9 million in 2018 to \$112.1 million in 2019. Our revenue growth rate increased from 19.6% in 2018 to 22.0% in 2019 and to 29.7% in the three months ended March 31, 2020. During the three months ended March 31, 2019 and 2020, our revenue was \$25.6 million and \$33.2 million, respectively. Our gross margin was 76.1% in 2018, 75.9% in 2019, and 76.8% and 77.5% for the three months ended March 31, 2019 and 2020, respectively. We had net losses of \$38.9 million in 2018, \$42.6 million in 2019, and \$10.5 million and \$4.0 million in the three months ended March 31, 2019 and 2020, respectively.

Beginning in March 2020, new sales of Essentials plans increased substantially, growing 33%, 106%, and 86% year-over-year for March, April, and May 2020, respectively. In contrast, we experienced reductions in Enterprise plan sales of 14% and 13% year-over-year in March and April, respectively. This resulted from several of our larger enterprise sales prospects needing to focus on their pandemic response at the immediate expense of their ecommerce initiatives. However, sales of Enterprise plans improved significantly in May 2020, growing 60% year-over-year. Thus far during the pandemic, we have observed an overall shortening of sales cycle time and an improvement in lead conversion and competitive win rates. The results of operations for the three months ended March 31, 2020 are not necessarily indicative of the results that can be expected for our subsequent quarters in 2020 and our entire fiscal year ending December 31, 2020, which is increasingly true in periods of extreme uncertainty, such as the uncertainty caused by the COVID-19 pandemic.

In addition, as a result of the global travel restrictions and stay-at-home or similar orders in effect due to the COVID-19 pandemic, our sales and marketing, research and development, and general and administrative expenses declined as a percentage of revenue in the first quarter of 2020. We expect these percentages to return to historical levels as these restrictions are lifted.

Key factors affecting our performance

We believe our future performance will depend on many factors, including the following:

Continued growth of ecommerce domestically and globally

Ecommerce is rapidly transforming global B2C and B2B commerce. B2C ecommerce was nonexistent in the early-1990s and grew to approximately 10% of all global retail spending in 2017, according to eMarketer. eMarketer estimates that it will take just six years for this percentage to more than double to 21% of global retail spending in 2023. The rapid growth in ecommerce is prompting companies to adopt ecommerce platforms like BigCommerce to create compelling branded ecommerce stores and power cross-channel connections to online marketplaces, social networks, and offline POS systems.

We believe we have a substantial opportunity to serve a larger number of customers as ecommerce continues to grow around the world by extending into new and emerging segments within ecommerce. The following segments are significant areas of potential growth and strategic focus for us:

- **Headless commerce.** This refers to businesses whose technology strategy is to decouple their front-end customer experience technology from their back-end commerce platform. In terms of online strategy, these companies are typically brand-, marketing-, or experience-led. We serve headless use cases better than most of our competitors due to years of investment in our platform APIs and integration capabilities. Pre-built integrations connect our platform with leading CMSs such as Acquia, Adobe, Bloomreach, Drupal, Sitecore, and WordPress.

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- **B2B.** As of December 31, 2019, approximately 10% of our customers use BigCommerce primarily for B2B sales. In many cases, these customers' needs are met using our native functionality, including B2B features like customer groups and price lists. In other cases, these customers complement BigCommerce with purpose-built B2B extensions and applications in the BigCommerce Apps Marketplace. Over time, we intend to add more B2B functionality to both the BigCommerce Apps Marketplace and our native feature set.
- **Large enterprise.** Increasingly, we are successfully competing for large enterprise sites selling more than \$50 million annually online, with our Enterprise plan product feature set, along with our sales, marketing, solutioning, and service capabilities.

Efficient acquisition of new customers

The growth of our customer base is important to our continued revenue growth. We believe we are positioned to grow significantly through a combination of our own marketing and sales initiatives, customer referrals from our agency and technology partners, and word-of-mouth referrals from existing customers.

We measure the efficiency of new customer acquisition by comparing the lifetime value ("LTV") of newly-acquired customers to the customer acquisition costs ("CAC") of the associated time period to get an "LTV:CAC ratio." We calculate LTV as gross profit from new sales during the four quarters of any given year divided by the estimated future subscription churn rate. We calculate CAC as total sales and marketing expense incurred during the associated preceding four quarters. The LTV:CAC ratio for 2019 includes LTV for the year ended December 31, 2019 and CAC for the four quarters ended September 30, 2019. On this basis, we estimate that our LTV:CAC ratio for 2019 was 4.4:1. This calculation assumes that the actual subscription churn rate for the period will remain consistent in future years.

Retention and growth of our existing customers

We believe our long-term revenue growth is correlated with the growth of our existing customers' ecommerce businesses. We strive to maintain industry-leading service levels and platform capabilities to maximize customer success and retention. Our revenue grows with that of our customers. As they generate more online sales, we generate more subscription revenue through automated sales-based upgrades on our Essentials plans and order adjustments on our Enterprise plans. Typical enterprise contracts have terms ranging from 12 to 36 months and do not include the ability to terminate for convenience. As our customers' online sales increase, our partner and services revenue generated by revenue-sharing agreements with our strategic technology partners increases as well. Our ability to retain and grow our customers' ecommerce businesses often depends on the continued expansion of our platform and the capabilities of our strategic technology partners to provide revenue generating services to our customers. We continually evaluate prospective and existing partners' abilities to enhance the capabilities of our customers' ecommerce businesses. We add new partners and expand existing partner relationships to enhance the utility of our platform, while creating new opportunities to expand our revenue share in partner and services revenue. As we continue to grow as a platform, we believe our ability to realize more favorable and expansive revenue share agreements will grow as well. We also grow by selling additional stores to existing customers. Our larger customers will often first use our platform to build a single online store that serves a single brand within their portfolio. These customers can then expand their usage of our platform by launching additional stores to serve additional brands, geographies, or use cases (e.g., B2B in addition to B2C).

Successful rollout of new geographies

We believe our platform can compete successfully around the world. We enhance self-serve usability in new geographies by translating our control panel into local languages and enabling the integration of local payment processors. We support the growth of mid-market and large enterprise customers around the world by expanding

our regional sales and marketing capabilities. We opened our first European office in London, UK in 2018 and expanded it throughout 2019, resulting in a 20% revenue growth rate in 2019 in EMEA. Similarly, we launched our first local sales presence in Singapore in early 2019 and expanded our existing sales and marketing team in Sydney, Australia, resulting in an 28% revenue growth rate in 2019 in APAC. We plan to add local sales support in further select international markets over time. In addition, in select markets like China, we are developing relationships with strategic agency partners in lieu of having a direct local employee presence. As of June 24, 2020, 25% of our stores were located outside of the United States. We believe over time, the number of stores located outside of the United States will increase substantially.

Evolution of our technology partner ecosystem

A key part of our strategy is to build a thriving technology partner ecosystem. We focus on collaborating with, not competing against, partners in our ecosystems. This strategy contrasts with our largest competitors, who operate software stacks with multiple vertically integrated adjacent services that potentially compete with offerings from technology partners in their ecosystems. Our customers benefit from the expertise and best-of-breed offerings of our partners, the flexibility to choose without penalty the best offerings for their needs, and the tailored programs developed with our strategic partners. Through significant investment, we have developed a marketplace of integrated application and technology solutions that is one of the largest of any ecommerce platform. Our partners currently offer more than 600 pre-built applications and integrations spanning major categories relevant to ecommerce, including shipping, tax, accounting and ERP, marketing, fulfillment, cross-channel commerce, and POS systems, with additional applications and integrations for merchandising, locations, and payments under development. We intend to grow partner-sourced revenue by expanding the value and scope of existing partnerships, selling and marketing partner solutions to our customer base, and acquiring and cultivating new, high-value relationships. Partner referrals of customers are increasingly becoming an efficient customer acquisition strategy for us as we expand our programs for cross-marketing and cross-selling with our partners.

Realizing operating leverage from our investments

We have made significant investments in our SaaS platform and our global infrastructure, which we believe will yield future operating leverage and profit margin expansion. Research and development has historically been one of our largest operating expense categories. By opening and expanding a lower-cost engineering center in Kyiv, Ukraine, we are increasing development capacity while also driving leverage in engineering cost as a percentage of total revenue. In addition, we believe we will achieve operating leverage in marketing by continuing to emphasize lower-cost inbound techniques and growth in customer referrals from our technology and agency partners. We believe we will be able to run our business more efficiently as we continue to grow our revenue and gain further operating scale.

Duration and durability of COVID-19's impact on partner and services revenue

Ecommerce sales in our major markets have increased significantly due to the widespread shutting of physical stores and behavioral changes associated with social distancing. This increase in sales has bolstered our partner and services revenue, driven predominantly by increases in our partner revenue share streams. We anticipate that our performance will be affected by the duration of COVID-19's impact on physical stores and consumer preferences and the resulting increase in ecommerce sales. Additionally, we expect the widespread availability of treatment options to impact the trend toward ecommerce, which, in turn, may have a significant impact on our performance. We believe we are well-positioned to continue to benefit from the macro-economic shift to ecommerce that COVID-19 has accelerated, but revenue may be more variable in the near-term as a result.

Key business metrics

We review the following key business metrics to measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. Increases or decreases in our key business metrics may not correspond with increases or decreases in our revenue.

Annual revenue run-rate

We calculate annual revenue run-rate (“ARR”) at the end of each month as the sum of: (1) the product of the current month’s monthly recurring revenue (“MRR”) multiplied by twelve (to prospectively annualize subscription revenue), and (2) the trailing twelve-month partner and services revenue, including non-recurring services revenue, such as one-time partner integration fees and store-launch services. MRR includes BigCommerce platform subscription fees and invoiced growth adjustments as customers’ businesses grow past contracted order thresholds after a threshold has been met. It also includes recurring professional services revenue, such as recurring technical account management services and product training services.

Accounts with greater than \$2,000 ACV

We track the total number of accounts with annual contract value (“ACV”) greater than \$2,000 (the “ACV threshold”) as of the end of a monthly billing period. To define this \$2,000 ACV cohort, we include only subscription plan revenue and exclude partner and services revenue and recurring services revenue. We consider all stores added and subtracted as of the end of the monthly billing period. This metric includes accounts that may have either one single store above the ACV threshold or multiple stores that together exceed the ACV threshold. Accordingly, this cohort would include: (1) customers on Enterprise plans, (2) customers on Pro plans, and (3) customers with multiple plans that together exceed the ACV threshold. As of March 31, 2020, accounts above the ACV threshold represented 79% of our ARR, up from 75% as of March 31, 2019.

Average revenue per account

We calculate average revenue per account (“ARPA”) for accounts above the ACV threshold at the end of a period by including customer-billed revenue and an allocation of partner and services revenue. We bill customers for subscription solutions and professional services, and we include both in ARPA for the reported period. For example, ARPA as of March 31, 2019 includes all subscription solutions and professional services billed between January 1, 2019 and March 31, 2019. We allocate partner revenue primarily based on each customer’s share of GMV processed through that partner’s solution. For partner revenue that is not directly linked to customer usage of a partner’s solution, we allocate such revenue based on each customer’s share of total platform GMV. Each account’s partner revenue allocation is calculated by taking the account’s trailing twelve-month partner revenue, then dividing by twelve to create a monthly average to apply to the applicable period in order to normalize ARPA for seasonality. As of March 31, 2020, the ARPA for accounts above the ACV threshold was \$12,094, up from \$9,564 as of March 31, 2019.

Net revenue retention

We use net revenue retention (“NRR”) to evaluate our ability to maintain and expand our revenue with our account base of customers exceeding the ACV threshold over time. The total billings and allocated partner revenue for the measured period are divided by the total billings and allocated partner revenue for such accounts, corresponding period one year prior. An NRR greater than 100% implies positive net revenue retention. This methodology includes stores added to or subtracted from an account’s subscription during the previous twelve months. It also includes changes to subscription and partner and services revenue billings, and revenue reductions from stores or accounts that leave the platform during the previous one year period. Net new accounts added after the previous one year period are excluded in our NRR calculations. NRR for accounts with ACV greater than \$2,000 was 108% and 106% for 2018 and 2019, respectively.

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The chart below illustrates certain of our key business metrics as of or for the three months ended for each of the dates presented, as applicable.

	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
ARR (in thousands)	\$88,945	\$91,755	\$96,451	\$102,162	\$108,117	\$114,826	\$121,346	\$128,522	\$137,080
Accounts with ACV greater than \$2,000	8,096	8,062	8,186	8,375	8,531	8,737	8,918	9,090	8,988
% of ARR attributable to accounts with ACV greater than \$2,000	69%	71%	73%	74%	75%	76%	77%	78%	79%
ARPA attributable to accounts with ACV greater than \$2,000	\$7,578	\$8,028	\$8,547	\$9,056	\$9,564	\$10,002	\$10,512	\$11,098	\$12,094

Enterprise accounts

In addition to tracking our key business metrics identified above, we periodically measure ARR for accounts with at least one unique Enterprise plan subscription (“enterprise accounts”). These accounts may have more than one Enterprise plan or a combination of Enterprise plans and Essentials plans. Enterprise account ARR grew 41% to \$46.5 million in 2018 and grew 44% to \$66.7 million in 2019. Enterprise accounts represented 46% and 52% of ARR as of December 31, 2018 and 2019, respectively. As of March 31, 2020, enterprise account ARR grew 40% year-over-year to \$71.0 million, up from \$50.9 million as of March 31, 2019. Enterprise accounts represented 47% and 52% of ARR as of March 31, 2019 and 2020, respectively.

Components of results of operations

Revenue

We generate revenue from two sources: (1) subscription solutions revenue and (2) partner and services revenue.

Subscription solutions revenue consists primarily of platform subscription fees from all plans. It also includes recurring professional services and sales of SSL certificates. Subscription solutions are charged monthly, quarterly, or annually for our customers to sell their products and process transactions on our platform. Subscription solutions are generally charged per online store and are based on the store’s subscription plan. Our Enterprise plan contracts are generally for a fixed term of one to three years and are non-cancelable. Our retail plans are generally month-to-month contracts. Monthly subscription fees for Pro and Enterprise plans are adjusted if a customer’s GMV or orders processed are outside of specified plan thresholds on a trailing twelve-month basis. Fixed monthly fees and any transaction charges related to subscription solutions are recognized as revenue in the month they are earned.

We generate partner revenue from our technology application ecosystem. Customers tailor their stores to meet their feature needs by integrating applications developed by our strategic technology partners. We enter into contracts with our strategic technology partners that are generally for one year or longer. We generate revenue from these contracts in three ways: (1) revenue-sharing arrangements, (2) technology integrations, and (3) partner marketing and promotion. We recognize revenue on a net basis from revenue-sharing arrangements when the underlying transaction occurs.

We also generate revenue from non-recurring professional services that we provide to complement the capabilities of our customers and their agency partners. Our services help improve customers' time-to-market and the success of their businesses using BigCommerce. Our non-recurring services include education packages, launch services, solutions architecting, implementation consulting, and catalog transfer services.

Cost of revenue

Cost of revenue consists primarily of: (1) personnel-related costs (including stock-based compensation expense) for our customer success teams, (2) costs that are directly related to hosting and maintaining our platform, (3) fees for processing customer payments, and (4) the allocation of overhead costs. We expect that cost of revenue will increase in absolute dollars, but may fluctuate as a percentage of total revenue from period to period.

Sales and marketing

Sales and marketing expenses consist primarily of: (1) personnel-related expenses (including stock-based compensation expense), (2) sales commissions, (3) marketing programs, (4) travel-related expenses, and (5) allocated overhead costs. We focus our sales and marketing efforts on creating sales leads and establishing and promoting our brand. We plan to increase our investment in sales and marketing by hiring additional sales and marketing personnel, executing our go-to-market strategy globally, and building our brand awareness. Incremental sales commissions for new customer contracts are deferred and amortized ratably over the estimated period of our relationship with such customers. No incremental sales commissions are incurred on renewals of customer contracts. We expect our sales and marketing expenses will increase in absolute dollars, but will decrease as a percentage of total revenue over time.

Research and development

Research and development expenses consist primarily of personnel-related expenses (including stock-based compensation expense) incurred in maintaining and developing enhancements to our ecommerce platform and allocated overhead costs. To date, software development costs eligible for capitalization have not been significant.

We believe delivering new functionality is critical to attracting new customers and enhancing the success of existing customers. We expect to continue to make substantial investments in research and development. We expect our research and development expenses to increase in absolute dollars, but decrease as a percentage of total revenue over time, as we continue to leverage and expand our lower-cost engineering center in Kyiv, Ukraine. We expense research and development expenses as incurred.

General and administrative

General and administrative expenses consist primarily of: (1) personnel-related expenses (including stock-based compensation expense) for finance, legal and compliance, human resources, and IT, (2) external professional services, and (3) allocated overhead costs. We expect to incur additional general and administrative expenses as a result of operating as a public company. We also expect to increase the size of our general and administrative functions to support the growth of our business. As a result, we expect that our general and administrative expenses will increase in absolute dollars but may fluctuate as a percentage of total revenue from period to period.

Other expenses, net

Other expenses, net consists primarily of interest expense on our bank borrowings partially offset by interest income on corporate funds invested in money market instruments and highly liquid short-term investments.

Provision for income taxes

Provision for income taxes consists primarily of income taxes related to certain foreign and state jurisdictions in which we conduct business. For U.S. federal income tax purposes and in certain foreign and state jurisdictions, we have NOL carryforwards. The foreign jurisdictions in which we operate have different statutory tax rates than those of the United States. Additionally, certain of our foreign earnings may also be currently taxable in the United States. Accordingly, our effective tax rate will vary depending on the relative proportion of foreign to domestic income, use of foreign tax credits, changes in the valuation of our deferred tax assets and liabilities, applicability of any valuation allowances, and changes in tax laws in jurisdictions in which we operate.

Results of operations

The following table summarizes our historical consolidated statement of operations data. The period-to-period comparison of operating results is not necessarily indicative of results for future periods.

	Year Ended December 31,		Three Months Ended March 31,	
	2018	2019	2019	2020
	(in thousands)			
Revenue	\$ 91,867	\$ 112,103	\$ 25,584	\$ 33,174
Cost of revenue ⁽¹⁾	21,937	27,023	5,925	7,480
Gross profit	69,930	85,080	19,659	25,694
Operating expenses:				
Sales and marketing ⁽¹⁾	45,928	60,740	14,136	15,762
Research and development ⁽¹⁾	42,485	43,123	10,832	10,921
General and administrative ⁽¹⁾	19,497	22,204	4,999	6,466
Total operating expenses	107,910	126,067	29,967	33,149
Loss from operations	(37,980)	(40,987)	(10,308)	(7,455)
Interest income	653	245	155	1
Interest expense	(1,489)	(1,612)	(360)	(762)
Change in fair value of financial instrument	-	-	-	4,413
Other expense	(52)	(208)	(21)	(203)
Loss before provision for income taxes	(38,868)	(42,562)	(10,534)	(4,006)
Provision for income taxes	10	28	7	17
Net loss	\$ (38,878)	\$ (42,590)	\$ (10,541)	\$ (4,023)

(1)Includes stock-based compensation expense as follows:

	Year Ended December 31,		Three Months Ended March 31,	
	2018	2019	2019	2020
	(in thousands)			
Cost of revenue	\$ 82	\$ 191	\$ 22	\$ 73
Sales and marketing	388	838	133	289
Research and development	432	666	71	305
General and administrative	1,169	1,461	369	359
Total stock-based compensation expense	\$ 2,071	\$ 3,156	\$ 595	\$ 1,026

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Revenue by geographic region

The composition of our revenue by geographic region during the years ended December 31, 2018 and 2019, for the three months ended March 31, 2019 and 2020 were as follows:

	Year Ended December 31,		Change		Three Months Ended March 31,		Change	
	2018	2019	Amount	%	2019	2020	Amount	%
	(dollars in thousands)				(dollars in thousands)			
Revenue								
Americas – U.S.	\$ 75,025	\$ 91,057	\$ 16,032	21.4	\$ 20,611	\$ 26,733	\$ 6,122	29.7
Americas – other	3,000	3,761	761	25.4	961	1,100	139	14.5
EMEA	6,123	7,370	1,247	20.4	1,751	2,442	691	39.5
APAC	7,719	9,915	2,196	28.4	2,261	2,899	638	28.2
Total Revenue	\$ 91,867	\$ 112,103	\$ 20,236	22.0	\$ 25,584	\$ 33,174	\$ 7,590	29.7

Comparison of three months ended March 31, 2019 and March 31, 2020

Revenue

The components of our revenue during the three months ended March 31, 2019 and 2020 were as follows:

	Three Months Ended March 31,		Change	
	2019	2020	Amount	%
	(dollars in thousands)			
Revenue				
Subscription solutions	\$ 19,248	\$ 23,554	\$ 4,306	22.4%
Partner and services	6,336	9,620	3,284	51.8%
Total revenue	\$ 25,584	\$ 33,174	\$ 7,590	29.7%

Revenue increased \$7.6 million, or 29.7%, from \$25.6 million for the three months ended March 31, 2019 to \$33.2 million for the three months ended March 31, 2020, as a result of increases in both subscription solutions and partner and services revenue. Subscription solutions revenue increased \$4.3 million, or 22.4%, from \$19.2 million for the three months ended March 31, 2019 to \$23.6 million for the three months ended March 31, 2020, primarily due to growth in subscription sales. Partner and services revenue increased \$3.3 million, or 51.8%, from \$6.3 million for the three months ended March 31, 2019 to \$9.6 million for the three months ended March 31, 2020, primarily as a result of increases in revenue-sharing activity with our technology partners and improved monetization of partner revenue share. Increased ecommerce activity in March 2020 in connection with the COVID-19 pandemic contributed approximately \$0.2 million to this growth.

Cost of revenue, gross profit, and gross margin

Cost of revenue, gross profit, and gross margin during the three months ended March 31, 2019 and 2020 were as follows:

	Three Months Ended March 31,		Change	
	2019	2020	Amount	%
	(dollars in thousands)			
Cost of revenue	\$ 5,925	\$ 7,480	\$ 1,555	26.2
Gross profit	\$ 19,659	\$ 25,694	\$ 6,035	30.7
Gross margin	76.8%	77.5%		

Cost of revenue increased \$1.6 million, or 26.2%, from \$5.9 million for the three months ended March 31, 2019 to \$7.5 million for the three months ended March 31, 2020, primarily as a result of higher hosting costs resulting from

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increased transactions processed and higher personnel costs. Headcount for such personnel as of March 31, 2020 was 185 compared to 151 as of March 31, 2019. Gross margin increased to 77.5% during the three months ended March 31, 2020 from 76.8% during the three months ended March 31, 2019.

Operating expenses

Sales and marketing

Sales and marketing expenses during the three months ended March 31, 2019 and 2020 were as follows:

	Three Months Ended March 31,		Change	
	2019	2020	Amount	%
	(dollars in thousands)			
Sales and marketing	\$ 14,136	\$ 15,762	\$ 1,626	11.5
Percentage of revenue	55.3%	47.5%		

Sales and marketing expenses increased \$1.6 million, or 11.5%, from \$14.1 million for the three months ended March 31, 2019 to \$15.8 million for the three months ended March 31, 2020, primarily due to higher staffing costs. Total sales and marketing headcount as of March 31, 2020 was 191 compared to 167 as of March 31, 2019. As a percentage of total revenue, sales and marketing expenses decreased to 47.5% during the three months ended March 31, 2020 from 55.3% during the three months ended March 31, 2019, primarily due to increased operating leverage from revenue growth.

Research and development

Research and development expenses during the three months ended March 31, 2019 and 2020 were as follows:

	Three Months Ended March 31,		Change	
	2019	2020	Amount	%
	(dollars in thousands)			
Research and development	\$ 10,832	\$ 10,921	\$ 89	0.8
Percentage of revenue	42.3%	32.9%		

Research and development expenses were relatively unchanged in absolute dollars from period to period but declined as a percentage of revenue. This decline reflects our leverage of previous enhancements to our platform capabilities and prior development of new product offerings. By opening and expanding an engineering center in Kyiv, Ukraine in 2019, we increased our lower-cost development capacity driving leverage in research and development spend as a percentage of revenue.

General and administrative

General and administrative expenses during the three months ended March 31, 2019 and 2020 were as follows:

	Three Months Ended March 31,		Change	
	2019	2020	Amount	%
	(dollars in thousands)			
General and administrative	\$ 4,999	\$ 6,466	\$ 1,467	29.3
Percentage of revenue	19.5%	19.5%		

General and administrative expenses increased \$1.5 million, or 29.3%, from \$5.0 million for the three months ended March 31, 2019 to \$6.5 million for the three months ended March 31, 2020. The increase was primarily due to increased staffing and fees associated with preparation for our initial public offering. Total general and administrative headcount as of March 31, 2020 was 136 compared to 96 as of March 31, 2019.

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Interest income

Interest income was insignificant for the three month periods ended March 31, 2019 and 2020.

Interest expense

Interest expense increased \$0.3 million, or 90.8%, from \$0.4 million for the three months ended March 31, 2019 to \$0.8 million for the three months ended March 31, 2020, primarily as a result of increased bank borrowings used to fund operations.

Change in fair value of financial instrument

The increase of \$4.4 million in the fair value of financial instrument in the three months ended March 31, 2020 was the result of a decrease in fair value of the embedded lenders' put option on our 2020 Convertible Term Loan.

Other expense

Other expense was insignificant for the three month periods ended March 31, 2019 and 2020.

Provision for income taxes

Our provision for income taxes was insignificant in the three months ended March 31, 2019 and 2020.

Comparison of years ended December 31, 2018 and December 31, 2019

Revenue

The components of our revenue during the years ended December 31, 2018 and 2019 were as follows:

	Year Ended December 31,		Change	
	2018	2019	Amount	%
	(dollars in thousands)			
Revenue				
Subscription solutions	\$ 70,484	\$ 82,689	\$ 12,205	17.3
Partner and services	21,383	29,414	8,031	37.6
Total revenue	<u>\$ 91,867</u>	<u>\$ 112,103</u>	<u>\$ 20,236</u>	<u>22.0</u>

Revenue increased \$20.2 million, or 22%, from \$91.9 million in 2018 to \$112.1 million in 2019, as a result of increases in both subscription solutions and partner and services revenue. Subscription solutions revenue increased \$12.2 million, or 17.3%, from \$70.5 million in 2018 to \$82.7 million in 2019, primarily due to the increase in mid-market and large enterprise customers and our international expansion efforts. Partner and services revenue increased \$8.0 million, or 37.6%, from \$21.4 million in 2018 to \$29.4 million in 2019, primarily as a result of increases in revenue-sharing activity with our technology partners.

Cost of revenue, gross profit, and gross margin

Cost of revenue, gross profit, and gross margin during the years ended December 31, 2018 and 2019 are as follows:

	Year Ended December 31,		Change	
	2018	2019	Amount	%
	(dollars in thousands)			
Cost of revenue	\$ 21,937	\$ 27,023	\$ 5,086	23.2
Gross profit	\$ 69,930	\$ 85,080	\$ 15,150	21.7
Gross margin	76.1%	75.9%		

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Cost of revenue increased \$5.1 million, or 23.2%, from \$21.9 million in 2018 to \$27.0 million in 2019, primarily as a result of increases in personnel-related costs (including stock-based compensation expense), for personnel involved in providing customer support and professional services. Headcount for such personnel as of December 31, 2019 was 180 compared to 145 as of December 31, 2018. Gross margin decreased to 75.9% during 2019 from 76.1% during 2018.

Operating expenses

Sales and marketing

Sales and marketing expenses during the years ended December 31, 2018 and 2019 were as follows:

	Year Ended December 31,		Change	
	2018	2019	Amount	%
	(dollars in thousands)			
Sales and marketing	\$ 45,928	\$ 60,740	\$ 14,812	32.3
Percentage of revenue	50.0%	54.2%		

Sales and marketing expenses increased \$14.8 million, or 32.3%, from \$45.9 million in 2018 to \$60.7 million in 2019, primarily due to an increase of \$11.1 million in personnel-related costs (including stock-based compensation expense), for personnel engaged in acquiring new customers and marketing our products and services. Total sales and marketing headcount as of December 31, 2019 was 181 compared to 155 as of December 31, 2018. The increase was also attributed to a \$3.3 million increase in marketing program spend to continue the promotion of our products and services globally.

As a percentage of total revenue, sales and marketing expenses increased to 54.2% during 2019 from 50.0% during 2018, primarily due to investments in sales and marketing teams in London, UK and Sydney, Australia.

Research and development

Research and development expenses during the years ended December 31, 2018 and 2019 were as follows:

	Year Ended December 31,		Change	
	2018	2019	Amount	%
	(dollars in thousands)			
Research and development	\$ 42,485	\$ 43,123	\$ 638	1.5
Percentage of revenue	46.2%	38.5%		

Research and development expenses were relatively unchanged in absolute dollars from period to period but declined as a percentage of revenue. Research and development expenses declining as a percentage of revenue is reflective of our leveraging the previous enhancements to our platform capabilities and prior development of new product offerings. By opening and expanding an engineering center in Kyiv, Ukraine in 2019, we increased our lower-cost development capacity, further driving leverage in research and development spend as a percentage of revenue.

General and administrative

General and administrative expenses during the years ended December 31, 2018 and 2019 were as follows:

	Year Ended December 31,		Change	
	2018	2019	Amount	%
	(dollars in thousands)			
General and administrative	\$ 19,497	\$ 22,204	\$ 2,707	13.9
Percentage of revenue	21.2%	19.8%		

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General and administrative expenses increased \$2.7 million, or 13.9%, from \$19.5 million in 2018 to \$22.2 million in 2019. The increase was primarily due to an increase of \$2.4 million in personnel-related expense (including stock-based compensation expense), resulting from the hiring of additional general and administrative personnel. Total general and administrative headcount as of December 31, 2019 was 139 compared to 111 as of December 31, 2018.

Interest income

Interest income decreased \$0.4 million, or 62.5%, from \$0.7 million in 2018 to \$0.2 million in 2019, primarily as a result of lower balances in marketable securities.

Interest expense

Interest expense increased \$0.1 million, or 8.3%, from \$1.5 million in 2018 to \$1.6 million in 2019, primarily as a result of increased bank borrowings used to fund operations.

Other expense

Other expense was insignificant in the years ended December 31, 2018 and 2019.

Provision for income taxes

Our provision for income taxes was insignificant in the years ended December 31, 2018 and 2019.

Quarterly results of operations

The following tables set forth our unaudited quarterly consolidated statement of operations data in dollars and as a percentage of our revenue for each of the last nine quarters of the period ended March 31, 2020. The unaudited quarterly consolidated statement of operations data below has been prepared on the same basis as the audited consolidated financial statements included elsewhere in this prospectus and, in our opinion, reflect all necessary adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of this information. The results of historical quarters are not necessarily indicative of the results of operations for a full year or any future period.

	Three Months Ended								
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
	(in thousands)								
Revenue	\$ 20,977	\$ 22,250	\$ 23,375	\$ 25,265	\$ 25,584	\$ 27,235	\$ 28,264	\$ 31,020	\$ 33,174
Cost of revenue(1)(2)	5,142	4,963	5,739	6,093	5,925	6,227	6,806	8,065	7,480
Gross profit	15,835	17,287	17,636	19,172	19,659	21,008	21,458	22,955	25,694
Operating expenses:									
Sales and marketing(1)(2)	9,904	11,209	12,258	12,557	14,136	15,963	15,346	15,295	15,762
Research and development(1)(2)	9,160	10,657	11,450	11,218	10,832	10,468	10,862	10,961	10,921
General and administrative(1)(2)	4,041	5,065	4,868	5,523	4,999	5,222	5,527	6,456	6,466
Total operating expenses	23,105	26,931	28,576	29,298	29,967	31,653	31,735	32,712	33,149
Loss from operations	(7,270)	(9,644)	(10,940)	(10,126)	(10,308)	(10,645)	(10,277)	(9,757)	(7,455)
Interest income	-	179	144	330	155	86	4	-	1
Interest expense	(331)	(342)	(319)	(497)	(360)	(410)	(359)	(483)	(762)
Change in fair value of financial instrument	-	-	-	-	-	-	-	-	4,413
Other income (expense)	7	17	(48)	(28)	(21)	(56)	(86)	(45)	(203)
Loss before provision for income taxes	(7,594)	(9,790)	(11,163)	(10,321)	(10,534)	(11,025)	(10,718)	(10,285)	(4,006)
Provision for income taxes	2	2	3	3	7	7	7	7	17
Net loss	<u>\$ (7,596)</u>	<u>\$ (9,792)</u>	<u>\$ (11,166)</u>	<u>\$ (10,324)</u>	<u>\$ (10,541)</u>	<u>\$ (11,032)</u>	<u>\$ (10,725)</u>	<u>\$ (10,292)</u>	<u>\$ (4,023)</u>

(1) Includes stock-based compensation as follows:

	Three Months Ended								
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
	(in thousands)								
Cost of revenue	\$ 18	\$ 19	\$ 19	\$ 26	\$ 22	\$ 37	\$ 62	\$ 70	\$ 73
Sales and marketing	95	86	86	121	133	198	241	266	289
Research and development	97	84	97	154	71	158	186	251	305
General and administrative	298	294	287	290	369	428	326	338	359
Total stock-based compensation expense	<u>\$ 508</u>	<u>\$ 483</u>	<u>\$ 489</u>	<u>\$ 591</u>	<u>\$ 595</u>	<u>\$ 821</u>	<u>\$ 815</u>	<u>\$ 925</u>	<u>\$ 1,026</u>

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(2) Includes depreciation and amortization as follows:

	Three Months Ended								
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
	(in thousands)								
Cost of revenue	\$ 110	\$ 118	\$ 109	\$ 129	\$ 142	\$ 157	\$ 177	\$ 240	\$ 296
Sales and marketing	100	119	123	136	152	172	180	226	288
Research and development	126	142	141	152	148	154	146	166	176
General and administrative	76	80	84	99	91	100	132	186	147
Total depreciation and amortization	<u>\$ 412</u>	<u>\$ 459</u>	<u>\$ 457</u>	<u>\$ 516</u>	<u>\$ 533</u>	<u>\$ 583</u>	<u>\$ 635</u>	<u>\$ 818</u>	<u>\$ 907</u>

The following table sets forth selected consolidated statements of operations data for each of the periods indicated as a percentage of total revenue:

	Three Months Ended								
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Revenue:	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenue	24.5	22.3	24.6	24.1	23.2	22.9	24.1	26.0	22.5
Gross margin	75.5	77.7	75.4	75.9	76.8	77.1	75.9	74.0	77.5
Operating expenses:									
Sales and marketing	47.2	50.4	52.4	49.7	55.3	58.6	54.3	49.3	47.5
Research and development	43.7	47.9	49.0	44.4	42.3	38.4	38.4	35.3	32.9
General and administrative	19.3	22.8	20.8	21.9	19.5	19.2	19.6	20.8	19.5
Total operating expenses	110.1	121.0	122.3	116.0	117.1	116.2	112.3	105.4	99.9
Loss from operations	(34.7)	(43.3)	(46.8)	(40.1)	(40.3)	(39.1)	(36.4)	(31.4)	(22.5)
Interest income	-	0.8	0.6	1.3	0.6	0.3	-	-	-
Interest expense	(1.6)	(1.5)	(1.4)	(2.0)	(1.4)	(1.5)	(1.3)	(1.6)	(2.3)
Change in fair value of financial instrument	-	-	-	-	-	-	-	-	13.3
Other expense	-	0.1	(0.2)	(0.1)	(0.1)	(0.2)	(0.3)	(0.1)	(0.6)
Loss before provision for income taxes	(36.2)	(44.0)	(47.8)	(40.9)	(41.2)	(40.5)	(38.0)	(33.1)	(12.1)
Provision for income taxes	-	-	-	-	-	-	-	-	-
Net loss	<u>(36.2)%</u>	<u>(44.0)%</u>	<u>(47.8)%</u>	<u>(40.9)%</u>	<u>(41.2)%</u>	<u>(40.5)%</u>	<u>(38.0)%</u>	<u>(33.1)%</u>	<u>(12.1)%</u>

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The following table sets forth our adjusted EBITDA for each of the periods indicated:

	Three Months Ended								
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Adjusted EBITDA(1)	\$ (6,343)	\$ (8,685)	\$ (10,042)	\$ (9,047)	\$ (9,201)	\$ (9,297)	\$ (8,913)	\$ (8,059)	\$ (5,725)

(1) This financial measure is not calculated in accordance with GAAP. See “Selected Financial Data—Non-GAAP financial measures” for information regarding our use of this non-GAAP financial measure.

Reconciliation of net loss to adjusted EBITDA

	Three Months Ended								
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
Net loss	\$ (7,596)	\$ (9,792)	\$ (11,166)	\$ (10,324)	\$ (10,541)	\$ (11,032)	\$ (10,725)	\$ (10,292)	\$ (4,023)
Stock-based compensation expense	508	483	489	591	595	821	815	925	1,026
Depreciation and amortization	412	459	457	516	533	583	635	818	907
Interest income	-	(179)	(144)	(330)	(155)	(86)	(4)	-	(1)
Interest expense	331	342	319	497	360	410	359	483	762
Change in fair value of financial instrument	-	-	-	-	-	-	-	-	(4,413)
Provision for income taxes	2	2	3	3	7	7	7	7	17
Adjusted EBITDA	<u>\$ (6,343)</u>	<u>\$ (8,685)</u>	<u>\$ (10,042)</u>	<u>\$ (9,047)</u>	<u>\$ (9,201)</u>	<u>\$ (9,297)</u>	<u>\$ (8,913)</u>	<u>\$ (8,059)</u>	<u>\$ (5,725)</u>

Quarterly trends

Quarterly revenue and gross profit trends

Our quarterly revenue and gross profit increased sequentially for each period presented, primarily due to sales of new subscription solutions to our platform as well as the growth of partner and services revenue.

Quarterly operating expense trends

Total operating expenses increased sequentially for all periods presented primarily due to increases in personnel in connection with the expansion of our business as well as additional sales and marketing initiatives to attract new customers.

Liquidity and capital resources

We have incurred losses since our inception. Our operations have been financed primarily through net proceeds from the sale of convertible preferred stock and borrowings under our debt instruments. As of March 31, 2020, we had an accumulated deficit of \$280.7 million, working capital of \$25.5 million, \$34.1 million in cash and cash equivalents and restricted cash, and no availability under our A&R Credit Facility.

Our short-term liquidity needs primarily include working capital for sales and marketing, research and development, and continued innovation. We have generated significant operating losses and negative cash flows from operations as reflected in our accumulated deficit and condensed consolidated statements of cash flows. We expect to continue to incur operating losses and negative cash flows from operations in the future and may require additional

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capital resources to execute strategic initiatives to grow our business. Our future capital requirements will depend on many factors, including our growth rate, levels of revenue, the expansion of sales and marketing activities, market acceptance of our platform, the results of business initiatives, the timing of new product introductions, and the impact of the COVID-19 pandemic on the global economy and our business, financial condition, and results of operations. As the impact of the COVID-19 pandemic on the global economy and our operations evolves, we will continue to assess our liquidity needs.

We believe that our existing cash and cash equivalents, our cash flows from operating activities, and our borrowing capacity under our credit facilities will be sufficient to meet our working capital and capital expenditure needs and debt service obligations for at least the next twelve months. In the future, we may attempt to raise additional capital through the sale of additional equity or debt financing. The sale of additional equity would be dilutive to our stockholders. Additional debt financing could result in increased debt service obligations and more restrictive financial and operational covenants. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, operating results and financial condition would be adversely affected.

Cash flows

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

	Year Ended December 31,		Three Months Ended March 31,	
	2018	2019	2019	2020
	(in thousands)			
Net cash used in operating activities	\$ (30,591)	\$ (39,969)	\$ (11,126)	\$ (9,990)
Net cash (used in) provided by investing activities	\$ (26,517)	\$ 17,871	\$ 10,991	\$ (597)
Net cash provided by financing activities	\$ 64,236	\$ 17,351	\$ 3,383	\$ 35,549

As of December 31, 2019, we had \$9.2 million in cash, cash equivalents, and restricted cash, a decrease of \$4.7 million compared to \$13.9 million in 2018. As of March 31, 2020, we had \$34.1 million in cash, cash equivalents, and restricted cash, an increase of \$17.0 million compared to \$17.1 million as of March 31, 2019. Cash and cash equivalents consist of highly-liquid investments with original maturities of less than three months. Restricted cash consists of security deposits for future chargebacks and amounts on deposit with certain financial institutions. We maintain cash account balances in excess of FDIC-insured limits.

Operating activities

Net cash used in operating activities for the three months ended March 31, 2019 and 2020 was \$11.1 million and \$10.0 million, respectively. This consisted primarily of our net losses adjusted for certain non-cash items including depreciation and amortization, stock based compensation, debt discount amortization, bad debt expense, and the effect of changes in working capital.

Net cash used in operating activities for the years ended December 31, 2018 and 2019 was \$30.6 million and \$40.0 million, respectively. This consisted primarily of our net losses adjusted for certain non-cash items including depreciation and amortization, stock-based compensation, debt discount amortization, bad debt expense, and the effect of changes in working capital.

Investing activities

Net cash provided by investing activities during the three months ended March 31, 2019 was \$11.0 million. It consisted primarily of purchases of property and equipment of \$1.2 million, partially offset by proceeds from the maturities and sale of marketable securities of \$12.2 million.

Net cash used in investing activities during the three months ended March 31, 2020 was \$0.6 million. It consisted primarily of purchases of property and equipment of \$0.6 million.

Net cash used in investing activities during the year ended December 31, 2018 was \$26.5 million. It consisted primarily of purchases of marketable securities of \$33.6 million and purchases of property and equipment of \$3.3 million, partially offset by proceeds from the maturities and sale of marketable securities of \$10.4 million.

Net cash provided by investing activities during the year ended December 31, 2019 was \$17.9 million. It consisted primarily of proceeds from the sale and maturity of marketable securities of \$23.5 million, partially offset by purchases of property and equipment of \$5.6 million.

Financing activities

Net cash provided by financing activities during the three months ended March 31, 2019 and 2020 was \$3.4 million and \$35.5 million, respectively. In the three months ended March 31, 2019, bank borrowings provided \$3.8 million, and issuance of shares of Series 1 common stock pursuant to the exercise of stock options provided \$0.1 million, partially offset by debt repayments of \$0.5 million. In the three months ended March 31, 2020, bank borrowings provided \$40.7 million, and issuance of shares of Series 1 common stock pursuant to the exercise of stock options provided \$0.4 million, partially offset by debt repayments of \$5.6 million.

Net cash provided by financing activities during the years ended December 31, 2018 and 2019 was \$64.2 million and \$17.4 million, respectively. In the year ended December 31, 2018, \$63.6 million was provided by the issuance of convertible preferred stock and the issuance of shares of Series 1 common stock pursuant to the exercise of stock options of \$0.6 million. In the year ended December 31, 2019, bank borrowings provided \$18.5 million, and issuance of shares of Series 1 common stock pursuant to the exercise of stock options provided \$0.9 million, slightly offset by debt repayments of \$2.0 million.

Indebtedness

Credit facility

On October 27, 2017, we entered into our Credit Facility with SVB, which we subsequently amended in August 2018 and June 2019. The Credit Facility provided a \$25.0 million revolving line of credit with a maturity date of October 27, 2021 (the "Revolving Line"), a \$5.0 million term loan with a maturity date of September 1, 2021 (the "2018 Term Loan"), and an undrawn \$5.0 million term loan.

In February 2020, we entered into the A&R Credit Facility, which amended and restated the Credit Facility. Among other amendments, the A&R Credit Facility reduced the amount available under the Revolving Line by \$5.0 million to \$20.0 million, effective concurrent with the funding of the 2020 Convertible Term Loan. The Revolving Line will be further reduced to \$10.0 million on September 30, 2020. As of March 31, 2020, we had \$20.0 million outstanding under the Revolving Line and \$2.8 million outstanding under the 2018 Term Loan, respectively. We were in compliance with all A&R Credit Facility covenants as of March 31, 2020. Our obligations under the A&R Credit Facility are secured by substantially all of our assets.

The A&R Credit Facility contains various covenants, which include: (1) a minimum recurring revenue covenant, (2) a minimum liquidity covenant, (3) a covenant limiting our ability to incur additional indebtedness, and

(4) a covenant limiting our ability to dispose of assets. The A&R Credit Facility also contains other specifically-defined restrictions on our activities, including a restricted payments covenant that limits dividends, investments, and certain distributions.

Borrowings under the Revolving Line bear interest at the greater of the prime rate then in effect or 3.25%. Borrowings under the 2018 Term Loan bear interest at the prime rate plus 0.25%. Interest under the A&R Credit Facility is calculated on a 360-day year basis and is payable monthly. The weighted-average interest rate was 5.2% and 5.3% for the Revolving Line during the years ended December 31, 2018 and 2019, respectively. The weighted-average interest rate was 5.2% and 5.3% for the 2018 Term Loan, during the years ended December 31, 2018 and 2019, respectively. The A&R Credit Facility is subject to customary fees for loan facilities of this type, including ongoing commitment fees at a rate of 0.25% per annum on the daily undrawn balance of the Revolving Line.

2017 convertible term loan

On October 27, 2017, we entered into a contingent convertible debt agreement (the “2017 Convertible Term Loan”) with SVB providing for a term loan of \$20.0 million. The 2017 Convertible Term Loan maturity date is October 27, 2022. Our obligations under the 2017 Convertible Term Loan are secured by substantially all of our assets.

The 2017 Convertible Term Loan provides the option to convert the outstanding principal, plus accrued and unpaid interest, into shares of our Series F preferred stock at a conversion price of \$3.059 per share. Although the conversion is at the lenders’ option immediately prior to the closing of this offering or a liquidity event, the lenders have indicated that they will exercise their option to convert the 2017 Convertible Term Loan as of immediately prior to the closing of this offering. The 2017 Convertible Term Loan also provides lenders the right to purchase Series F preferred stock at \$3.059 per share in an aggregate amount of principal previously repaid (the “Purchase Right”).

The 2017 Convertible Term Loan contains restrictive covenants, including limits on additional indebtedness, liens, asset dispositions, dividends, investments, and distributions. We were in compliance with all covenants under the 2017 Convertible Term Loan as of December 31, 2018 and 2019.

The interest rate for the 2017 Convertible Term Loan is the prime rate then in effect plus a margin of: (a) 2.0% prior to January 1, 2021; (b) 4.0% from January 1, 2021 and prior to January 1, 2022; and (c) 6.0% from and after January 1, 2022. Interest is calculated on the outstanding principal on a 360-day year basis, payable monthly. The weighted-average interest rate was 4.9% and 5.4% for the 2017 Convertible Term Loan during the years ended December 31, 2018 and 2019, respectively. The 2017 Convertible Term Loan is subject to customary fees for loan facilities of this type. As of March 31, 2020, we had \$19.0 million outstanding under the 2017 Convertible Term Loan.

2020 convertible term loan

On February 28, 2020, we entered into a contingent convertible debt agreement (the “2020 Convertible Term Loan”) with SVB pursuant to which we borrowed a term loan of \$35.0 million. The 2020 Convertible Term Loan maturity date is February 28, 2025. Our obligations under the 2020 Convertible Term Loan are secured by substantially all of our assets.

The 2020 Convertible Term Loan provides the option to convert the outstanding principal, plus accrued and unpaid interest, into shares of our common stock at a conversion price of \$3.80 per share, which was adjusted to \$11.40 per share as a result of the one-for-three reverse stock split effected on July 24, 2020. In addition to the conversion shares on the outstanding principal, the 2020 Convertible Term Loan requires a deficiency payment if the value of the conversion shares does not meet an applicable required minimum return of (a) 1.25 if converted within 18 months of the agreement, (b) 1.32 if converted between 18 months and 24 months, and (c) 1.55 if

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converted between 24 months and maturity. The deficiency payment, at the election of the lenders, will be settled either (i) by issuance of additional shares of common stock equal to the difference between the minimum return and the conversion value or (ii) in cash in a single installment in the amount of such difference. Although the conversion is at the lenders' option immediately prior to the closing of this offering or a liquidity event, the lenders have indicated that they will exercise their option to convert the 2020 Convertible Term Loan as of immediately prior to the closing of this offering.

The 2020 Convertible Term Loan contains restrictive covenants, including limits on additional indebtedness, liens, asset dispositions, dividends, investments, and distributions.

The interest rate for the 2020 Convertible Term Loan is: (a) 4.5% prior to January 1, 2022; (b) 6.5% from January 1, 2022 and prior to January 1, 2023; (c) 8.5% from January 1, 2023 and prior to January 1, 2024; and (d) 10.5% from and after January 1, 2024. Interest is calculated on the outstanding principal on a 360-day year basis, payable monthly. As of March 31, 2020, we had \$35.0 million outstanding under the 2020 Convertible Term Loan. We were in compliance with all 2020 Convertible Term Loan covenants as of March 31, 2020.

Mezzanine facility

On February 28, 2020, we entered into a mezzanine loan and security agreement (the "Mezzanine Facility") with WestRiver Innovation Lending Fund VIII, L.P. providing for a term loan of \$10.0 million with a draw period that expires on September 30, 2020. We have not drawn any amounts under the Mezzanine Facility. The Mezzanine Facility maturity date is March 1, 2023. Our obligations under the Mezzanine Facility are secured by substantially all of our assets. The Mezzanine Facility contains restrictive covenants, including limits on additional indebtedness, liens, asset dispositions, dividends, investments, and distributions. We were in compliance with all Mezzanine Facility covenants as of March 31, 2020.

Borrowings under the Mezzanine Facility bear interest at the greater of (i) 10.0% or (ii) the prime rate then in effect plus 5.25%. Interest is calculated on the outstanding principal on a 360-day year basis, payable monthly.

Contractual obligations

Our principal commitments consist of (1) obligations under our A&R Credit Facility, our 2017 Convertible Term Loan, our 2020 Convertible Term Loan, and our Mezzanine Facility, (2) operating leases for office space, and (3) purchase obligations with certain technology providers used to host our platform. The following table summarizes our commitments to settle contractual obligations as of December 31, 2019.

	Total	Payments Due by Period			
		Less than 1 year	1 – 3 Years	3 – 5 Years	More than 5 years
			(in thousands)		
Long term debt obligations	\$40,950	\$ 2,394	\$ 38,556	\$ –	\$ –
Lease obligations	22,203	3,643	6,940	4,686	6,934
Purchase obligations	13,523	2,603	10,920	–	–
Total contractual obligations	<u>\$76,676</u>	<u>\$ 8,640</u>	<u>\$ 56,416</u>	<u>\$ 4,686</u>	<u>\$ 6,934</u>

Because we entered into the 2020 Convertible Term Loan and the Mezzanine Facility after December 31, 2019, our principal commitments under such facilities are not reflected in the table above.

Off-balance sheet arrangements

We did not have any off-balance sheet arrangements as of December 31, 2018 and 2019 or as of March 31, 2020.

Critical accounting policies and estimates

Our consolidated financial statements have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. We also make estimates and assumptions on the reported revenue generated and reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

While our significant accounting policies are described in the notes to our consolidated financial statements included elsewhere in this prospectus, we believe the following critical accounting policies are most important to understanding and evaluating our reported financial results.

Revenue recognition

We recognize revenue from two sources: (1) subscription solutions revenue and (2) partner and services revenue.

Subscription solutions revenue consists of: (1) platform subscription fees, (2) recurring professional services, and (3) sales of SSL certificates. We generally recognize platform subscription fees and recurring professional services revenue in the month they are earned. We begin revenue recognition on the date that our service is made available to our customers. We recognize SSL certificates revenue ratably over the term of the certificates. Fixed monthly fees and any overage charges related to subscription solutions are recognized as revenue in the month they are earned.

Partner and services revenue is derived from: (1) revenue-sharing arrangements, (2) technology integrations, (3) partner marketing and promotion, and (4) non-recurring professional services. We recognize revenue on a net basis from revenue-sharing arrangements when the underlying transaction occurs. We recognize revenue from technology integration fees ratably over the contract term because technology integration and platform access are deemed to be a single performance obligation. Revenue from partner marketing and promotion and non-recurring professional services is recognized as the service is performed.

We adopted Financial Accounting Standards Board (“FASB”), Accounting Standards Codification Topic 606, Revenue from Contracts with Customers (“Topic 606”), effective January 1, 2018, using the full retrospective method of adoption. As such, the consolidated financial statements present revenue in accordance with Topic 606 for the period presented. Topic 606 requires us to identify distinct performance obligations. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. When distinct performance obligations exist, we allocate the contract transaction price to each distinct performance obligation. The standalone selling price, or our best estimate of standalone selling price, is used to allocate the transaction price to the separate performance obligations. We recognize revenue when, or as, the performance obligation is satisfied.

Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. Also, significant judgment may be required to determine the allocation of transaction price to each distinct performance obligation.

Effective January 1, 2018, we recorded an increase to deferred commissions in the amount of \$2.1 million, an increase to deferred revenue in the amount of \$0.9 million, and an adjustment to opening accumulated deficit of \$1.2 million due to the cumulative impact of adopting this new guidance.

Deferred costs

Deferred costs include deferred sales commissions that are incremental costs of obtaining customer contracts. Sales commissions are not paid on subscription renewal. We amortize deferred sales commissions ratably over the estimated period of our relationship with customers of approximately four years. Based on historical experience, we determine the average life of our customer relationship by taking into consideration our customer contracts and the estimated technological life of our platform and related significant features.

Equity-based compensation

We have granted stock options to certain employees, consultants, and members of our board of directors. Stock-based compensation is measured based on the fair value of the awards on the grant date. It is recognized in our consolidated statements of operations over the period the recipient is required to perform services in exchange for the award. This period is generally the vesting period.

We estimate the fair value of stock options granted using the Black-Scholes option-pricing model. Our option-pricing model requires the input of highly subjective assumptions, including: (1) the fair value of the underlying shares, (2) the expected term of the awards, (3) the expected volatility of the price of our shares, (4) risk-free interest rates, and (5) the expected dividend yield of our shares. These estimates involve inherent uncertainties and the application of judgment.

The assumptions are based on the following:

- **Expected volatility.** Since we have no significant trading history by which to determine the volatility of our stock price, we estimate volatility for option grants by evaluating the average historical volatility of peer group companies for the period immediately preceding the option grant.
- **Risk-free interest rate.** The risk-free interest rate was based on the United States Treasury zero-coupon issues with remaining terms similar to the expected term of the options.
- **Dividend yield.** We used an expected dividend yield of zero. We have never declared or paid any cash dividends on our common stock and do not plan to pay cash dividends on our common stock in the foreseeable future.
- **Average expected life.** We elected to use the simplified method to compute the expected term. We have limited history of exercise activity and our stock options meet the criteria of “plain-vanilla” options as defined by the SEC. The simplified method calculates the expected term by taking the average of the vesting term and the original contractual term of the awards.
- **Fair value of common stock.** Given the absence of an active market for our shares of common stock prior to our initial public offering, we estimated the fair value of our shares of common stock as discussed below.
- **Forfeiture.** We estimate the expected forfeiture rate and only recognize expense for those shares of common stock expected to vest. We estimate the forfeiture rate based on historical experience. To the extent our actual forfeiture rate is different from our estimate, stock-based compensation expense is adjusted accordingly.

If any assumptions used in the Black-Scholes option-pricing model change significantly, stock option compensation expense for future awards may differ materially compared with the expense for awards granted previously.

Share valuations

Given the absence of an active market for our shares of common stock prior to our initial public offering, the fair value of the shares of common stock underlying our stock options was determined by our board of directors. Our board of directors intends all options to be exercisable at the fair value of our shares of common stock on the grant date. Such estimates will not be necessary once the underlying shares begin trading. Valuations of our shares of common stock were determined in accordance with the guidelines outlined in the *American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. The assumptions used in the valuation models were based on future expectations and management judgment, including input from management on the following factors:

- contemporaneous valuations performed at periodic intervals by independent, third-party specialists;
- our actual operating results and financial performance;
- the prices, preferences, and privileges of shares of our convertible preferred stock relative to shares of our common stock;
- current business conditions and projections;
- stage of development;
- likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company, given prevailing market conditions and the nature and history of our business;
- market multiples of comparable companies in our industry;
- industry information such as market size and growth;
- secondary sales of our shares in arm's length transactions;
- adjustments, if any, necessary to recognize a lack of marketability for our shares; and
- macroeconomic conditions.

Prior to December 31, 2018, the enterprise value of our business was determined using the income approach and the market comparable approach, which were weighted equally.

The income approach estimates value based on the expectation of future cash flows that a company will generate, such as cash earnings, cost savings, tax deductions, and the proceeds from disposition. These future cash flows are risk-adjusted and discounted to their present values using a discount rate derived from an analysis of the cost of capital of comparable publicly traded companies in our industry or similar lines of business.

The market-based approach considers multiples of financial metrics based on a selected peer group of publicly traded technology companies. The peer group of companies was selected based on their similarity to us relative to size, business model, industry, business description, and developmental stage.

Discounted cash flows and a revenue multiple were used to determine our enterprise value under the income approach and market-based approach. From the enterprise value, we add cash and subtract debt to determine our equity value. Once the equity value is determined, this value is allocated among the various classes of equity securities to arrive at the fair value of our shares of common stock.

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We also discounted the value of our shares of common stock to recognize the lack of marketability and illiquidity of private company stock since the shares are privately owned and closely held. We considered additional factors when determining any changes in fair value between the most recent valuation report and the grant dates. When available, these factors included the prices paid in any recent transactions involving our equity securities, as well as our operating and financial performance, current industry conditions, and the market performance of comparable publicly traded companies.

Beginning on January 1, 2019, we applied the hybrid method, which combines the income approach, market-based approach, and the probability-weighted expected return method (“PWERM”) to determine the value of our shares of common stock. We made this change as greater clarity developed regarding a possible initial public offering or other liquidity event. Under the PWERM, the value of our shares of common stock is estimated based on the analysis of future values for the enterprise assuming various possible future events, such as an initial public offering. The future value was discounted to its present value using an appropriate risk-adjusted rate based on our stage of development. Additionally, we applied a discount for lack of marketability. The allocation to each share class is based upon the Black-Scholes options-pricing model as well as the current value method depending on the specific scenario. Under the hybrid method, the per share values calculated under each exit scenario are probability-weighted to determine the fair value of our shares of common stock.

In the course of preparing our financial statements, we subsequently considered the time span between the date of the most recent third-party valuations of our common stock and the date of grant of the award, material transactions in our business and subsequently received updated third-party valuations of our common stock. Taking these matters into account and with the benefit of hindsight, we determined for financial reporting purposes that the fair value of our common stock on certain occasions was instead equal to the higher fair value as of a subsequent valuation date. As a result, we recorded approximately \$0.4 million of additional stock-based compensation expense for the year ended December 31, 2019.

Grants of share-based awards

The following table sets forth by grant date the number of shares of common stock subject to options and restricted stock units granted since January 1, 2019, the per share exercise price of the options, the fair value per common share on each grant date, and the per share estimated fair value of the award:

<u>Grant Date</u>	<u>Award Type</u>	<u>Number of Shares Subject to Grants</u>	<u>Per Share Exercise Price of Options</u>	<u>Per Share Fair Value of Common Stock on Grant Date</u>	<u>Per Share Revised Fair Value of Common Stock on Grant Date</u>
February 27, 2019	Common Stock Option	426,128	\$ 3.18	\$ 3.18	\$ 4.14
June 28, 2019	Common Stock Option	750,770	\$ 3.27	\$ 3.27	\$ 4.95
August 22, 2019	Common Stock Option	322,504	\$ 3.24	\$ 3.24	\$ 5.79
November 14, 2019	Common Stock Option	766,104	\$ 3.87	\$ 3.87	\$ 7.71
March 19, 2020	Common Stock Option	999,455	\$ 9.21	\$ 9.21	N/A
May 27, 2020	Restricted Stock Unit	1,215,890	—	\$ 15.51	N/A
July 23, 2020	Common Stock Option	318,495	\$17.34	\$ 17.34	N/A

Recent accounting pronouncements

A discussion of recent accounting pronouncements is included in Note 2 to our audited consolidated financial statements included elsewhere in this prospectus.

Quantitative and qualitative disclosures on market risks

Interest rate risk

Our cash, cash equivalents, restricted cash, and marketable securities consist primarily of interest-bearing accounts. Such interest-earning instruments carry a degree of interest rate risk. To minimize interest rate risk in

the future, we intend to maintain our portfolio of cash equivalents in a variety of investment-grade securities, which may include commercial paper, money market funds, and government and non-government debt securities. Because of the short-term maturities of our cash, cash equivalents, restricted cash, and marketable securities, we do not believe that an increase in market rates would have any significant negative impact on the realized value of our investments. As of March 31, 2020, we held no investments in marketable securities.

In October 2017, we entered into the Credit Facility, which we amended and restated in February 2020. As of March 31, 2020, we had borrowings of \$20.0 million outstanding under the Revolving Line, and \$2.8 million outstanding under the 2018 Term Loan. Borrowings under the Revolving Line bear interest at the greater of the prime rate then in effect or 3.25%, and borrowings under the 2018 Term Loan bear interest at the prime rate then in effect plus 0.25%. Based upon the balance outstanding as of March 31, 2020, for every 100 basis point increase in the applicable base rate, we would incur approximately \$0.2 million and \$0.3 million of additional annual interest expense for the Revolving Line and the 2018 Term Loan, respectively. We currently do not hedge interest rate exposure.

In October 2017, we entered into the 2017 Convertible Term Loan. As of March 31, 2020, we had borrowings of \$19.0 million outstanding under the 2017 Convertible Term Loan. Borrowings under the 2017 Convertible Term Loan bear interest at the prime rate then in effect plus 2.0% prior to January 1, 2021, 4.0% from January 1, 2021 and prior to January 1, 2022, and 6.0% from and after January 1, 2022. Based upon the balance outstanding as of March 31, 2020, for every 100 basis point increase in the applicable base rate, we would incur approximately \$0.2 million of additional annual interest expense for the 2017 Convertible Term Loan.

In February 2020, we entered into the 2020 Convertible Term Loan and the Mezzanine Facility. As of March 31, 2020, we had borrowings of \$35.0 million outstanding under the 2020 Convertible Term Loan, and no balance outstanding under the Mezzanine Facility. Borrowings under the 2020 Convertible Term Loan bear interest at (a) 4.5% prior to January 1, 2022; (b) 6.5% from January 1, 2022 and prior to January 1, 2023; (c) 8.5% from January 1, 2023 and prior to January 1, 2024; and (d) 10.5% from and after January 1, 2024. Borrowings under the Mezzanine Facility bear interest at the greater of (i) 10.0% or (ii) the prime rate then in effect plus 5.25%. Based upon the balance outstanding as of March 31, 2020, for every 100 basis points increase in the applicable base rate, we would incur approximately \$0.4 million and no additional annual interest expense for the 2020 Convertible Term Loan and the Mezzanine Facility, respectively.

Foreign currency exchange risk

All of our revenue and a majority of our expense and capital purchasing activities for the year ended December 31, 2019 were transacted in U.S. dollars. As we expand our sales and operations internationally, we will be more exposed to changes in foreign exchange rates. Our international revenue is currently collected in U.S. dollars. In the future, as we expand into additional international jurisdictions, we expect that our international sales will be primarily denominated in U.S. dollars. If we decide in the future to denominate international sales in currencies other than the U.S. dollar, unfavorable movement in the exchange rates between the U.S. dollar and the currencies in which we conduct foreign sales could have an adverse impact on our revenue.

A portion of our operating expenses are incurred outside the United States and are denominated in foreign currencies, which are subject to fluctuations due to changes in foreign currency exchange rates. In particular, in our Australia and UK-based operations, we pay payroll and other expenses in Australian dollars and British pounds sterling, respectively. Our operating results and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates. However, we believe that the exposure to foreign currency fluctuation from operating expenses is relatively small at this time as the related costs do not constitute a significant portion of our total expenses.

We currently do not hedge foreign currency exposure. We may in the future hedge our foreign currency exposure and may use currency forward contracts, currency options, and/or other common derivative financial

instruments to reduce foreign currency risk. It is difficult to predict the effect future hedging activities would have on our operating results.

Credit risk

Financial instruments that potentially subject us to concentrations of credit risk consist of cash and cash equivalents, marketable securities, restricted cash, and accounts receivable. Our investment policy limits investments to high credit quality securities issued by the U.S. government, U.S. government-sponsored agencies, and highly rated corporate securities, subject to certain concentration limits and restrictions on maturities. Our cash and cash equivalents and restricted cash are held by financial institutions that management believes are of high credit quality. Amounts on deposit may at times exceed FDIC insured limits. We have not experienced any losses on our deposits of cash and cash equivalents, and accounts are monitored by management to mitigate risk. We are exposed to credit risk in the event of default by the financial institutions holding our cash and cash equivalents or an event of default by the issuers of the corporate debt securities we hold.

Emerging growth company status

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act, until those standards apply to private companies. We have not elected to use this extended transition period for complying with new or revised accounting standards. We will remain an emerging growth company until the earliest of: (1) the end of the fiscal year in which the fifth anniversary of the closing of this offering occurs, (2) the first fiscal year after our annual gross revenue exceed \$1.07 billion, (3) the date on which we have, during the immediately preceding three-year period, issued more than \$1.0 billion in non-convertible debt securities, and (4) the end of any fiscal year in which the market value of our common stock held by non-affiliates exceeds \$700 million as of the end of the second quarter of that fiscal year.

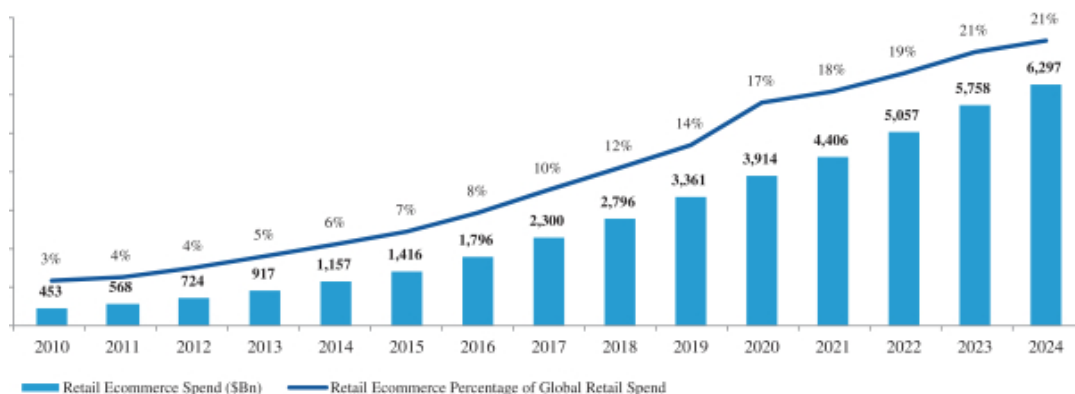
Our Business

Overview

BigCommerce is leading a new era of ecommerce. Our software-as-a-service (“SaaS”) platform simplifies the creation of beautiful, engaging online stores by delivering a unique combination of ease-of-use, enterprise functionality, and flexibility. We power both our customers’ branded ecommerce stores and their cross-channel connections to popular online marketplaces, social networks, and offline point-of-sale (“POS”) systems. As of June 1, 2020, we served approximately 60,000 online stores across industries in approximately 120 countries.

BigCommerce operates at the forefront of a world of commerce that is changing rapidly. The transition from physical to digital commerce constitutes one of history’s biggest changes in human behavior, and the pace of change is accelerating. According to eMarketer Inc. (“eMarketer”), retail ecommerce was nonexistent in the early-1990s and grew to approximately 10% of all global retail spending in 2017. They predict it will take just six years for this percentage to more than double to 21% of global retail spending in 2023, as shown in the chart below. The growth in ecommerce has no end in sight.

The adoption of retail ecommerce is accelerating



As commerce moves online, businesses must not only anticipate changing customer expectations, but also deliver engaging and highly personalized experiences across channels, necessitating a continuous process of digital transformation. We are currently witnessing major shifts in device usage from desktop to mobile, in mobile technology from responsive websites to progressive web applications, and in shopping venues from in-store to branded ecommerce sites, marketplaces, and social networks. The entire shopping journey, from product discovery to engagement to purchase and delivery, matters. To best serve their customers in this dynamic digital era, businesses need a platform for cross-channel commerce that nimbly keeps them at the forefront of user experience and innovation.

BigCommerce empowers businesses to turn digital transformation into competitive advantage. We provide a comprehensive platform for launching and scaling an ecommerce operation, including store design, catalog management, hosting, checkout, order management, reporting, and pre-integration into third-party services like payments, shipping, and accounting. All our stores run on a single code base and share a global, multi-tenant architecture purpose-built for security, high performance, and innovation. Our platform serves stores in a wide variety of sizes, product categories, and purchase types, including business-to-consumer (“B2C”) and business-to-business (“B2B”). Our customers include Avery Dennison, Ben & Jerry’s, Burrow, SC Johnson, SkullCandy, Sony, and Woolrich.

When launched in 2009, BigCommerce initially targeted the small business (“SMB”) segment with a simple, low-cost, all-in-one solution delivered through the cloud. Starting in 2015, company leadership transitioned from our original founders to our current chief executive officer and management team. We identified the market opportunity to become the first SaaS platform to combine enterprise-grade functionality, openness, and performance with SMB-friendly simplicity and ease-of-use. We consequently expanded our strategic focus to include the mid-market, which we define as sites with annual online sales between \$1 million and \$50 million, and large enterprise, which we define as sites with annual online sales from \$50 million to billions of dollars. At the time, these segments primarily relied on “legacy software,” whether licensed, open source, or custom-developed. To build a better SaaS alternative, we began a multi-year investment in platform transformation. In the subsequent five years, in nearly every component of our platform, we added advanced functionality and openness using application programming interface (“API”) endpoints. This transformation – beginning with a simple product built for the low-end of the market, then adding advanced functionality and performance to compete in the mid-market and large enterprise segments – is classic disruptive innovation.

We strive to provide the world’s best SaaS ecommerce platform for all stages of customer growth. As of June 1, 2020, BuiltWith.com (“BuiltWith”) ranked us the world’s second most-used SaaS ecommerce platform and top five overall among the top one million sites globally by traffic, which we believe consists primarily of established SMBs. We also were ranked the second most-used SaaS ecommerce platform among the top 100,000 sites globally by traffic, which we believe consists primarily of mid-market and large enterprise businesses. For the mid-market and large enterprise segments, we believe we are differentiated because our platform combines three elements not typically offered together:

- **Multi-tenant SaaS.** The speed, ease-of-use, high-performance, and continuously-updated benefits associated with multi-tenant SaaS.
- **Enterprise functionality.** Enterprise-grade functionality capable of supporting sophisticated use cases and significant sales volumes.
- **Open SaaS.** Platform-wide APIs that enable businesses to customize their sites and integrate with external applications and services.

We believe this powerful combination makes ecommerce success at scale more economically and operationally achievable than ever before.

We have become a leader in both branded-site and cross-channel commerce. Cross-channel commerce involves the integration of a customer’s commerce capabilities with other sites—online and offline—where consumers and businesses make their purchases. We offer free, direct integrations with leading social networks such as Facebook and Instagram, search engines such as Google, online marketplaces such as Amazon and eBay, and POS platforms such as Square, Clover (a Fiserv company), and Vend. A dynamic and growing cross-channel category is “headless commerce,” which refers to the integration of a back-end commerce platform like ours with a front-end user experience separately created in a content management system (“CMS”) or design framework. The most dynamic and interactive online user experiences are often created using these tools. We integrate seamlessly with the leading CMSs, digital experience platforms, design frameworks, and custom front ends.

Partners are essential to our open strategy. We believe we possess one of the deepest and broadest ecosystems of integrated technology solutions in the ecommerce industry. We strategically partner with, rather than compete against, the leading providers in adjacent categories, including payments, shipping, POS, CMS, customer relationship management (“CRM”), and enterprise resource planning (“ERP”). Our partner-centric strategy stands in contrast to our largest competitors, which operate complex software stacks that compete across categories. We focus our research and development investments in our core product to create a best-of-breed ecommerce platform. We believe this strategy has four advantages:

- **Core product focus.** We can create the industry’s best ecommerce platform and innovate faster than our competition by focusing development on a single core product.

- **Best-of-breed choice.** We offer our customers the choice of best-of-breed, tightly integrated solutions across verticals.
- **Cooperative marketing and sales.** We co-market and co-sell with our strategic technology partners in each category.
- **High gross margins.** We earn high-margin revenue share from a subset of our strategic technology partners, and this complements the high gross margin of our core ecommerce platform.

Our business has experienced strong growth. Our annual revenue run-rate (“ARR”) reached \$102.2 million as of December 31, 2018, \$128.5 million as of December 31, 2019, and \$137.1 million as of March 31, 2020. Our ARR growth rate increased from 22.3% in 2018 to 25.8% in 2019 and from 21.6% for the three months ended March 31, 2019 to 26.8% for the three months ended March 31, 2020. Our revenue increased from \$91.9 million in 2018 to \$112.1 million in 2019. Our revenue growth rate increased from 19.6% in 2018 to 22.0% in 2019 and to 29.7% in the three months ended March 31, 2020. During the three months ended March 31, 2019 and 2020, our revenue was \$25.6 million and \$33.2 million, respectively. Our gross margin was 76.1% in 2018, 75.9% in 2019, and 76.8% and 77.5% for the three months ended March 31, 2019 and 2020, respectively. We had net losses of \$38.9 million in 2018, \$42.6 million in 2019, and \$10.5 million and \$4.0 million in the three months ended March 31, 2019 and 2020, respectively. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key business metrics—Annual revenue run-rate” for a description of how we calculate ARR.

Impact of COVID-19

COVID-19, declared a global pandemic by the World Health Organization on March 11, 2020, has caused disruption to the economies and communities of the United States and our target international markets. In the interest of public health, many governments closed physical stores and places of business deemed non-essential. This precipitated a significant shift in shopping behavior from offline to online. In June 2020, eMarketer predicted that U.S. brick and mortar retail spending will decline by 14% in 2020, whereas U.S. consumer ecommerce spending will increase by 18%, the highest growth rate since their coverage began in 2008. Our business has benefitted from this shift, both in accelerated sales growth for our existing customers’ stores, and in our sales of new store subscriptions to customers. Nevertheless, we do not have certainty that those trends will continue; the COVID-19 pandemic and the uncertainty it has created in the global economy could materially adversely affect our business, financial condition, and results of operations. Certain of the market research included in this prospectus was published prior to the outbreak of the pandemic and did not anticipate the virus or the impact it has caused on the adoption of ecommerce. We have utilized this pre-pandemic market research in the absence of updated sources. For more information regarding the potential impact of the COVID-19 on our business, refer to “Risk Factors,” as well as our commentary in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this prospectus.

Impact on operations

During the month of March, in compliance with local, state, and national regulations, we closed our major offices in Austin, San Francisco, Sydney, and London, and transitioned in an orderly fashion to work-from-home operations. We accomplished this efficiently across our various global teams and functions. Our employees and teams were equipped with the equipment and collaboration tools they need to successfully work remotely.

As of June 1, 2020, our average platform uptime for 2020 was 99.99%, which exceeded its average uptime for 2019 of 99.98%. We consider this to be strong performance given the increase in site traffic and volume since the start of the pandemic. During the pandemic, we completed the rollout of our new storefront architecture. Our customer service teams completed the transition to work-from-home while maintaining service levels.

In accordance with applicable regulations, we began reopening our Austin offices in June. We have been and expect to continue to be responsive to the evolving guidance of local authorities, which, as a practical matter, required closing our Austin offices in July. We plan to begin reopening our offices as local regulations and conditions allow. We believe that we are well equipped to support full or partial remote work without major service disruption.

Impact on ecommerce sector and our sales efforts

From late March through June 2020, ecommerce sales in the United States and our target international markets increased significantly due to the widespread shutting of physical stores and behavioral changes associated with social distancing.

Beginning in March 2020, new sales of Essentials plans increased substantially, growing 33%, 106%, and 86% year-over-year for March, April, and May 2020, respectively. In contrast, we experienced reductions in Enterprise plan sales of 14% and 13% year-over-year in March and April, respectively. This resulted from several of our larger enterprise sales prospects needing to focus on their pandemic response at the immediate expense of their ecommerce initiatives. However, sales of Enterprise plans improved significantly in May 2020, growing 60% year-over-year. Thus far during the pandemic, we have observed an overall shortening of sales cycle time and an improvement in lead conversion and competitive win rates.

Impact on revenue

Our year-over-year revenue growth rate in the first quarter of 2020 was 29.7% and our year-over-year ARR growth rate was 26.8%, an increase relative to the 22.8% year-over-year revenue growth rate and 25.8% year-over-year ARR growth rate in the fourth quarter of 2019. The catalyst for this growth rate acceleration was partner and service revenue, which increased 51.8% versus the same quarter in 2019.

Industry trends

Online shopping behaviors are evolving as ecommerce adoption is accelerating around the world. This puts tremendous pressure on businesses to pursue digital transformation with technology that innovates as fast as the market.

Accelerating growth of ecommerce as a share of total retail spend

More than half of the world's population is now online, according to eMarketer, with four billion global internet users spending an average of seven hours online per day across ecommerce, content, social networks, and applications on desktop and mobile platforms. Global retail ecommerce will reach \$3.9 trillion, representing 17% of total retail spending in 2020, according to eMarketer. They forecast that retail ecommerce will reach \$6.3 trillion by 2024, representing 21% of retail spending. Digital influence extends to purchases made in the physical world as well. Forrester Research, Inc. ("Forrester") estimates that digital touchpoints impacted 51% of total U.S. retail sales in 2018.

Consumers rapidly changing how they shop across online and offline channels

The internet has empowered consumers with a breadth of information, social interactions, and shopping alternatives far exceeding anything previously available. No longer can brands rely on a single channel — historically, the store shelves of the closest physical retailer, or more recently, a single branded website — to reach their target audience. Instead, businesses must address the breadth of touch points influencing what and where shoppers buy. These include content sites (information and influencers), social networks, search engines, marketplaces, and of course, their own branded sites. According to Internet Retailer's *Online Marketplaces Database* report in 2019, 57% of global ecommerce occurs on marketplaces such as Amazon and eBay, so brands and retailers must consider those as potential sales channels. For sales that are transacted on our customers' own ecommerce sites, roughly half of those originate from buyer journeys that began online somewhere else, such as a search engine, social network, or linked site. To maximize sales potential, businesses must embrace true omni-channel selling and ensure seamless, delightful experiences throughout each buyer's journey.

Growth of direct-to-consumer, digitally native brands

Whereas consumer brands historically relied on retail distribution for their products, ecommerce enables a new model of direct-to-consumer, vertically-integrated digitally native brands (“DNBs”). DNBs sell products directly to consumers online as their primary distribution channel, frequently bypassing third-party retailers or the need for their own capital-intensive brick-and-mortar stores. In 2019, DNBs comprised 31 of the Internet Retailer Top 500 stores and grew sales at a much faster rate (29.5%) than non-DNBs (17.6%). The growth in DNBs has corresponded with demand for turnkey ecommerce platforms that support both rapid product launch and scaling to mid-market size and beyond.

B2B buying and selling also transitioning to the digital world

Historically, B2B ecommerce adoption has lagged that of B2C, but that is now changing. B2B sellers are embracing digital transformation in pursuit of both efficiency and sales effectiveness, in response to business buyers whose user experience expectations have been reshaped by B2C shopping. According to Forrester, B2B ecommerce now exceeds \$1 trillion in the United States. According to a Digital Commerce 360 survey of more than 200 B2B companies, more than 50% had yet to launch a transactional ecommerce site, but of those without an ecommerce site, 75% stated plans to have one within two years, signaling further growth ahead. Digital commerce can help B2B companies address complexities throughout their supply chains, thereby benefitting manufacturers, wholesalers, distributors, and even raw materials suppliers.

Digital transformation is becoming the #1 priority in global IT spending

Digital transformation will soon outrank all other business information technology (“IT”) priorities combined. International Data Corporation (“IDC”) predicts that by 2023, digital transformation and innovation will account for more than 50% of all IT spending, as compared to 36% of IT spending in 2018. Traditionally, business IT priorities have been determined by IT departments. Increasingly, however, business line owners control the purchase decision for digital transformation spending. Business line owners are ultimately seeking to invest in initiatives that drive revenue growth, operational efficiency, and competitive advantage.

Market size and opportunity

Large, rapidly growing global market for ecommerce platforms

IDC estimates that the global market for digital commerce applications, which we refer to as “ecommerce platforms,” was \$4.7 billion in 2019 and is expected to grow at a compound annual growth rate (“CAGR”) of 11% to reach \$7.8 billion in 2024. This global market includes legacy ecommerce platforms and SaaS ecommerce platforms. We believe our total addressable market is materially larger than ecommerce platform spend due to the additional revenue share that we earn from our technology partner ecosystem.

Both B2B and B2C businesses investing in digital transformation

According to IDC, in 2020 B2C sites will account for 67% of total global spend on ecommerce platforms, while B2B sites will account for the remaining 33%. B2C and B2B businesses are spending today to enable the online sales of tomorrow. Forrester predicts that in 2023, 17% of all U.S. B2B sales will occur online. For that same year, eMarketer predicts that 17% of all U.S. B2C spending will occur online.

Global opportunity

According to BuiltWith as of January 7, 2020, 42% of all ecommerce websites are based in the United States, and 58% are outside of the United States. IDC estimates that the Americas, Europe, Middle East and Africa (“EMEA”), and the Asia Pacific region (“APAC”) will represent 61%, 22%, and 17% of total global spend on ecommerce platform technology in 2020, respectively, with EMEA and APAC growing at CAGRs of 8% and 17% through 2024, respectively.

Legacy software challenges

Legacy approach to ecommerce involves software ownership and management

Historically, most businesses have licensed, owned, and/or managed the technology behind their ecommerce sites. Legacy approaches—led by custom-developed and licensed open source software—are still prevalent for the largest retail businesses. We believe the most commonly used ecommerce platforms for established SMBs are open source and on-premise software. According to BuiltWith as of June 1, 2020, among the one million most trafficked websites globally, open source software holds three of the top four ecommerce platform spots. Although SaaS platforms have existed since the late 1990s, only within the last five years have multiple SaaS options begun to challenge legacy software leaders in the small, mid-market, and large enterprise segments.

Creating, managing, and modernizing online stores with legacy software is difficult

For businesses using legacy software, ecommerce can be enormously challenging, requiring significant headcount and a wide range of capabilities that may not be their core strengths. These capabilities include:

- **Site design and user experience.** Legacy site design tools can quickly become outdated in functionality and user interface, making it difficult for businesses to keep pace with changing user experience expectations across device types.
- **Multi-channel management.** Connecting and maintaining multi-channel sales capabilities across POS, desktop and mobile websites, mobile applications, online marketplaces, and social networks is difficult, time consuming, and expensive.
- **Application and systems integration.** Ecommerce requires a wide range of integrated third-party applications for even the simplest of sites, including payments, shipping, tax, and accounting. More sophisticated businesses will often incorporate dozens of integrated third-party applications.
- **Security.** The brand and financial consequences of a security breach can be severe. Businesses must ensure security across the breadth and depth of their platform; third-party managed hosting of legacy software does not absolve companies of responsibility for their software.
- **Order processing and operations.** Operating costs and complexities increase rapidly if software does not make the steps simple for fulfilling orders, serving shoppers, and managing financials.
- **Platform feature and performance upgrades.** Static software becomes outdated and poorer-performing over time. Businesses of all sizes often lack the resources required to upgrade, patch, and modernize their legacy software in line with consumer and technology trends.

Legacy software does not meet the needs of most businesses

Due to the challenges mentioned above, legacy ecommerce software imposes an immense burden on companies that implement or maintain it themselves. Most businesses pursuing ecommerce are built and staffed to make or sell products; for these businesses, managing and maintaining software and technology infrastructure can be an operational distraction and financial burden. Three factors prompt many businesses to consider a SaaS alternative to legacy software for their ecommerce solutions:

- Time, complexity, and skill sets required to implement and operate software;
- Financial cost of software licensing, engineering, hosting, and management; and
- Burden of staying current and meeting high, ever-changing consumer expectations and demands.

Our solution

BigCommerce is a leading open SaaS platform for cross-channel commerce. We offer a complete, cloud-based ecommerce solution that scales with business growth. After years of significant investment in our product and technology, we believe we offer industry-leading capabilities, flexibility, scalability, and ease-of-use for a SaaS platform. All our customers, regardless of size, operate on a single, global, multi-tenant architecture that offers a compelling solution for successful online selling.

- **Open.** Platform APIs make our platform accessible to customization, modification, and integration.
- **Comprehensive.** We provide complete functionality for setup, store design, store hosting, checkout, order processing, and order management.
- **Cloud.** Our multi-tenant SaaS model includes both the hosting of our customers' stores and cloud-based delivery of store management functionality.
- **Secure and compliant.** We offer native security protection related to payments (PCI-DSS), information (ISO 27001), applications, and external threats. We comply with relevant regulations such as the European Union's General Data Protection Regulation ("GDPR").
- **Performant.** All stores have built-in enterprise-grade security, speed, uptime, and hosting via the Google Cloud Platform.
- **B2C and B2B.** We are both a full-featured B2C platform and supportive of a wide variety of B2B use cases either natively or in conjunction with third-party B2B extensions.
- **Cross-channel.** We support cross-channel selling via native and third-party integrations with leading marketplaces, social networks, support engines, CMSs, and POS platforms.
- **Application ecosystem.** Our application ecosystem is one of the largest among ecommerce platforms, including more than 600 pre-built applications and integrations promoted through our BigCommerce Apps Marketplace.
- **Ease-of-use.** Approximately 70% of implementations are completed within two months. Small businesses can create their stores in as little as a few hours.
- **Delightful.** Our beautiful store design themes and editing tools enable businesses to create unique, branded user experiences that delight their shoppers.
- **Affordable.** Our monthly subscription fees start at \$29.95 per month and increase with business size and functionality requirements.
- **Scalable.** Higher-tiered plans offer more sophisticated functionality required by large enterprises, including advanced promotions, faceted search, and price lists.
- **Global.** Our platform can be used by shoppers around the world, with front-end support for a shopper's preferred language, as well as back-end control panel language options including English, Chinese, French, Italian, and Ukrainian, with more languages planned.

Our competitive advantages

As a SaaS ecommerce market leader with a singular focus on our core platform, we strive to deliver the world's best combination of advanced functionality, flexibility, scalability, and ease-of-use to fast-track the ecommerce success of businesses of all sizes.

Built to support growth from SMB to large enterprise

Originally designed for the needs of SMBs, BigCommerce now powers some of the largest brands in the world. Starting with a comprehensive but easy-to-use platform, businesses can grow to hundreds of millions in sales without encountering functionality, flexibility, or scalability limitations. We offer advanced SaaS-based capabilities for interactive visual merchandising, complex and large catalog management, faceted search, advanced promotions, customer groups, and complex price lists. BigCommerce was rated a Strong Performer in the Forrester Wave Reports: B2C Commerce Suites and B2B Commerce Suites, Q2 2020.

Open SaaS

Because every business is unique, and most large businesses have specific requirements not easily met “out of the box,” our product strategy emphasizes what we call “open SaaS.” Open SaaS refers to the exposure of SaaS platform functionality via APIs and software development kits (“SDKs”). APIs enable our customers to access a wide variety of third-party applications, integrate with legacy systems, and customize when required. Open SaaS, as a strategy, thereby competes with the flexibility of legacy open source software. We believe our platform openness is industry-leading for SaaS, spanning areas such as checkout, cart, tax, pricing, promotions, and the storefront. Our open technology scales to meet high volumes of up to 400 API calls per second per customer.

With respect to both product functionality and platform openness, we deliver new features and API enhancements on a regular basis, without customer service disruption or the need for software upgrades. This constitutes a primary advantage of our multi-tenant SaaS platform relative to legacy software. With legacy software, businesses often need to manage and deploy enhancements and upgrades themselves, at significant operational and financial cost. In contrast, our customers benefit from a platform that seamlessly progresses its capabilities and performance on a regular basis, thereby staying ahead of industry trends, consumer expectations and demands, and competition. The power of our platform to support high growth better than legacy software is evidenced by the large and growing number of category leaders, including more than 30 Global 2000 businesses, that select us as their ecommerce platform of choice.

Cross-channel commerce

We provide free connections to the two leading U.S. marketplaces, Amazon and eBay, and our technology partners enable integration to dozens of other leading marketplaces around the world. We are one of just two platforms that natively enables social selling on Facebook and Instagram Checkout. We have integrations and business partnerships with a wide range of leading POS software vendors, including Square, Clover (a Fiserv company), and Vend.

For our customers’ branded sites, our Stencil design framework offers more than 100 beautiful, pre-built, responsive theme variations along with the ability to custom design within a local development environment. Our interactive Page Builder enables drag-and-drop management of layouts, designs, widgets, and content blocks on pages that can contain anything from simple image rotations to powerful merchandising functionality.

We also support the option of fully headless commerce. We and our technology partners have developed integrations and support for leading commercial CMSs, including Acquia, Adobe Experience Manager, Bloomreach, Drupal, Sitecore, and WordPress. We are further utilized in conjunction with the leading progressive web application frameworks, including Deity, Gatsby, and Vue Storefront. Many businesses simultaneously utilize our native storefront capabilities along with headless commerce on blogs and other content sites.

Lower total cost of ownership

We believe the total cost of ownership of our platform is substantially less than that of legacy software. The total cost of legacy software, including expenses related to software licensing, software engineering, hosting,

technical operations, security management, and agency and systems integration support, can be substantial. Our customers can also benefit from pre-negotiated rates from our strategic payments partners, whose published rates are below those of our largest SaaS competitor for most plan types.

Performance and security

We have designed our platform to maximize uptime, minimize response time, and ensure a secure environment. Across all sites, our stores achieved 99.98% average uptime in 2019 and as of June 1, 2020, our average uptime for 2020 was 99.99%. For the cyber five peak holiday shopping days, we have reported zero site downtime every year since 2014.

As measured by Google PageSpeed Insights, our platform benchmarks faster than leading ecommerce sites. Faster response and page load times benefit customers by improving shopper experience and organic search engine page rankings. Unlike with managed software, security is built into the BigCommerce platform and service. We offer native payments security at PCI-DSS Level 1, and our security protocols have achieved ISO 27001 certification, the “gold standard” in security assessment.

Growth strategy

We serve a range of business sizes, geographies, and categories. Our organization structure aligns with target market segments based on business size and geography. As a “customer first” company, we believe customer success is a fundamental prerequisite of all components of our growth strategy, and we therefore rank it first among our growth priorities.

Retain and grow with existing customers through product and service leadership

We believe our long-term revenue growth is highly correlated with the success of our existing customers. We internally measure customer success in a variety of ways including our customers’ sales growth, retention, and net promoter score. Externally, we pay close attention to third-party customer review sites and recognition. For example, we were a Gartner Peer Insights Customers’ Choice for Digital Commerce software in April 2019. We enable customer success through product excellence and service quality. We have extensive internal processes for aligning our product roadmap with the features and enhancements that drive customer growth. We also have mature internal processes for measuring service levels and satisfaction, along with closed-loop resolution of issues and feature requests. We strive for industry-leading customer retention rates, net promoter scores, service levels, and same-store sales growth. We were named a TrustRadius 2019 Top Rated ecommerce platform. We were named a Leader in the G2 Grid® Report for E-Commerce Platforms (Winter 2020). We experience revenue growth from our existing customers over time in a variety of ways. As our customers’ ecommerce sales grow, so do our subscription revenue. We also generate revenue when our customers purchase and deploy additional stores to customers that serve their other brands, geographies, and/or use cases (e.g., B2B in addition to B2C).

Acquire new mid-market and large enterprise customers

Our flagship plan is BigCommerce Enterprise, which is tailored for mid-market and large enterprise businesses selling more than \$1 million online per site. Enterprise is the default plan featured on our homepage, which highlights the benefits, differentiators, and success stories of BigCommerce for larger businesses. Our sales, marketing, agency partnership, and professional services teams all have organization structures dedicated to serving the needs of mid-market and large enterprise businesses. As of December 31, 2019, customers on our Enterprise plan generate approximately half of our ARR. These customers typically exhibit low churn and net revenue retention greater than 100%. Internet Retailer states that SaaS has now become the top choice of the largest U.S. retail ecommerce sites planning to re-platform, and we are aggressively positioning ourselves as the best SaaS solution for this segment.

Acquire new SMB customers

We target both established small businesses and start-ups committed to “make it big” on a platform that they will not outgrow. They exhibit lower churn and higher growth rates than do businesses that dabble in ecommerce. Established and complex businesses also place greater emphasis on the functionality, openness, and performance strengths of our platform. We have dedicated sales, marketing, and support organizations to serve the needs of SMBs. More than 70% of our SMB customers use a self-serve model and become customers without sales assistance.

Expand into new and emerging segments

Businesses engaged in ecommerce come in a wide variety of product and service categories, selling types (B2C vs. B2B vs. hybrid), and technology approaches. We seek to extend into new and emerging segments within ecommerce, including the following segments that are significant areas of potential growth and strategic focus for us:

- **Headless commerce.** This refers to businesses whose technology strategy is to decouple their front-end customer experience technology from their back-end commerce platform. In terms of online strategy, these companies are typically brand-, marketing-, or experience-led. We serve headless use cases better than most of our competitors due to years of investment in our platform APIs and integration capabilities. Pre-built integrations connect our platform with leading CMSs such as Acquia, Adobe, Bloomreach, Drupal, Sitecore, and WordPress.
- **B2B.** As of December 31, 2019, approximately 10% of our customers use BigCommerce primarily for B2B sales. In many cases, these customers’ needs are met using our native functionality, including B2B features like customer groups and price lists. In other cases, these customers complement BigCommerce with purpose-built B2B extensions and applications in the BigCommerce Apps Marketplace. Forrester Research rated BigCommerce a Strong Performer in The Forrester Wave: B2B Commerce Suites, Q2 2020. Over time, we intend to add more B2B functionality to both the BigCommerce Apps Marketplace and our native feature set.
- **Large enterprise.** Increasingly, we are successfully competing for large enterprise sites selling more than \$50 million annually online, with our Enterprise plan product feature set, along with our sales, marketing, solutioning, and service capabilities.

Expand internationally

We originally launched in Sydney, Australia, and possessed an international mindset from the outset. Our headquarters moved to the United States in 2011. Up until mid-2018, 100% of company employees were still located in just Australia and the United States. In July 2018, we launched our first dedicated European business team based in London, and in January 2019, we launched our Asian presence in Singapore. In February 2019, we opened a major new product and engineering center in Kyiv, Ukraine. The expansion in our regional business teams helped contribute to accelerating revenue growth in 2019 of 20% in EMEA and 28% in APAC. As of June 24, 2020, 25% of our stores were located outside of the United States. We believe over time, this percentage can increase substantially. In addition to expanding our sales and marketing capabilities internationally, we are also enhancing our product and APIs to serve customers around the world. As of June 1, 2020, our customer-facing administrative control panel has been translated into four languages (Chinese, French, Italian, and Ukrainian), with more languages planned in 2020. Our payments APIs and SDK, currently in beta, will open our payment processing capabilities to new global providers who don’t have to rely on integrations performed by us. Our shipping, tax, and other APIs further enable global businesses and strategic agency partners to access locally-relevant providers.

Earn revenue share and customer referrals from our extensive partner ecosystem

Our marketplace of integrated application and technology solutions is one of the largest of any ecommerce platforms. Partner solutions span every major category of relevance to ecommerce, including payments, shipping, tax, accounting and ERP, marketing, fulfillment, and cross-channel commerce. Our strategy is to partner — not compete — with our ecosystem. Many of our strategic technology partners pay us a revenue share on their gross sales to our joint customers and/or collaborate to co-sell and co-market BigCommerce to new customers and our respective installed bases. Our customers benefit from the best-of-breed offerings of our partners, the flexibility to choose without penalty the best offer for their needs, and the tailored programs developed with our strategic technology partners. We intend to grow partner-sourced revenue by expanding the value and scope of existing partnerships, selling and marketing partner solutions to our customer base, and acquiring and cultivating new, high-value relationships.

Our platform

Our open SaaS ecommerce platform allows businesses to create compelling online shopping experiences and sell across multiple sales channels including online storefronts, marketplaces, search engines, POS systems, and social networks. It serves a wide variety of business types including, B2C, B2B, and DNB; product and service categories; and business sizes. Our platform encompasses both the creation and hosting of front-end, shopper-facing store experiences as well as back-end, business-facing store management functionality. It further offers a comprehensive set of APIs and SDKs that allow developers to customize, integrate, and extend the platform based on individual customer requirements. We have a wide range of more than 600 pre-built applications and integrations promoted through our BigCommerce Apps Marketplace, with additional applications and integrations for merchandising, locations, and payments under development.



Shopping experiences

Our customers and their agency partners use our native, open source design framework and web-based design tools to build unique and compelling storefronts. Alternatively, customers can use our platform in a headless fashion by creating their storefront experience using a custom or commercial digital experience platform.

- **Native storefronts.** We offer a wide range of over 100 free and paid theme templates and variations that assist in the design of storefronts. All templates are responsively optimized for multiple device types including desktop, tablet, and mobile. The Stencil theming framework can be used to customize

templates or create entirely custom storefronts. Our open source Stencil developer tools assist advanced customizations using a local development environment that makes it easy to build and test sites using common code languages and libraries. Our browser-based store design tool and interactive Page Builder enable less technical business users to easily customize and preview storefronts without the need to edit the underlying HTML code.

- **Headless storefronts.** Headless commerce decouples the front-end customer facing presentation layer from the back-end ecommerce platform used to manage business logic, commerce transactions, and operations. Headless commerce approaches are most commonly utilized by businesses with innovative, complex, and personalized user experience strategies and by businesses whose sites prioritize marketing and content ahead of commerce. Using our headless APIs and pre-existing integrations, customers can develop storefronts using leading CMSs such as Acquia, Adobe Experience Manager, Bloomreach, Drupal, Sitecore, and WordPress. Customers can also design cutting-edge progressive web application experiences using frameworks like Deity, Gatsby, and Vue Storefront.
- **Checkout.** Our PCI-compliant checkout experience is designed for conversion across multiple device types including desktop, tablet, and mobile. Customers can further customize the experience through our APIs and developer tools or embed our checkout experience within third-party headless storefronts.
- **Search.** To help shoppers quickly search for products, our platform offers powerful faceted search capabilities in addition to standard keyword search. With faceted search, customers define filters such as color, size, and price, and then in the storefront, shoppers, whether B2B or B2C, can quickly narrow search results using any of those filters.
- **Abandoned cart saver.** The platform can automatically help our customers recover abandoned carts by emailing shoppers and, optionally, adding discount incentives to complete purchases.

Selling across multiple channels

In addition to selling on branded online storefronts, customers can list their products and sell across multiple sales channels such as marketplaces, offline stores, and social networks.



- **Marketplaces.** We offer free integrations to Amazon and eBay that synchronize products, inventory and orders. Additional integrations, including for Amazon and eBay in regions outside the United States, are available in the BigCommerce Apps Marketplace.
- **Offline stores.** We offer a wide range of direct integrations with leading POS software platforms, including Square, Clover (a Fiserv company), and Vend. These integrations enable our customers to synchronize products, inventory, and orders.

- **Social networks.** We have been a partner of Facebook and Instagram since the launch of ecommerce on those platforms. We enable full-featured selling and advertising on both platforms.
- **Other channels.** In the BigCommerce Apps Marketplace, customers can easily find and install integrations with other sales channels, including geography-specific channels. Other possible channel application categories include search engines, marketing, merchandising and personalization, and B2B and wholesale. Customers can also utilize our APIs to integrate with new channels relevant to them.

Store management

Customers manage their stores through an intuitive and easy-to-use browser-based interface called the control panel. From the control panel, customers can manage the various parts of their business including:

- **Analytics and insights.** Real-time dashboards, reports, and actionable insights help customers understand the performance of their stores and make informed marketing and operating decisions. Examples include reports highlighting where shoppers get stuck, over- and underperforming products, and the impact of promotions and sales.
- **Catalog.** Customers can create and manage their product catalog within our platform, including product descriptions, images, videos, weight, and dimensions. They can also manage the products listed for sale on connected sales channels.
- **Pricing and currencies.** In addition to basic item pricing capabilities, we offer advanced price list functionality that modifies pricing for specific customer groups or currencies.
- **Inventory.** Customers can track product stock levels and synchronize them with sales channels such as POS platforms and marketplaces.
- **Order management and fulfillment.** Customers can centrally manage orders from both their branded stores and third-party sales channels. They can fulfill orders by creating shipments and printing shipping labels using native or third-party functionality, as well as process refunds and returns, including at a line item level of detail.
- **Promotions.** We offer both simple and advanced promotions capabilities. Advanced capabilities include complex discount and coupon rules, scheduling, and targeting of specific customer segments.
- **Shopper management.** Our customers can centrally view and manage their shoppers from both their branded stores and third-party sales channels. Shopper segmentation can be combined with targeted pricing and promotions.
- **Payments.** We offer native integrations with over 45 global payment solutions. Payment options include:
 - Credit cards by gateways and processors including Adyen, Authorize.Net, Braintree, Chase Merchant Services, CyberSource, Elavon, Stripe, Barclaycard, and Worldpay (an FIS company)
 - Wallets and alternative payment methods including Amazon Pay, Apple Pay, Google Pay, and PayPal
 - “Buy now, pay later” solutions such as, Affirm, Afterpay, Klarna, PayPal Credit, and Zip
- **Shipping.** We enable customers to ship via their preferred carriers, including FedEx, UPS, DHL, and USPS. In addition, we support a range of native and integrated third-party shipping solutions. The most

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popular third-party solutions include ShipperHQ, which provides advanced capabilities for rate quoting within the shopping cart, and ShipStation, which is a leading label printing solution owned by Stamps.com.

- **Tax.** Our customers can manage sales tax automation for state and local tax jurisdictions through a variety of integrated partners, including Avalara, TaxJar, and Vertex. These offerings support tax calculations, access to product taxability codes, and tax compliance and audit reports.

Platform openness

Our platform is highly extensible and customizable due to our open APIs and SDKs. Customers, agency partners, and technology partners use our APIs and SDKs to add, customize, and/or integrate systems, functionality, and shopper experiences. To meet the demanding requirements of large, high volume customers, our API scales to more than 400 calls per second per customer.

In the BigCommerce Apps Marketplace, customers can easily find and install hundreds of third-party applications and extensions. Sample application categories include marketing automation, B2B, POS, marketplace integrations, shipping, tax, orders, wish lists, and fraud management. Developers can also use the API to build bespoke applications and integrations. For example, for a custom headless implementation that does not use a pre-existing CMS integration, a customer would use the cart, checkout, and payment APIs.

Packaging and pricing

We offer a range of subscription plans to meet the needs of different customers. Plans differ based on price, functionality, service levels, and size limits. Enterprise is our flagship plan designed for mid-market and large enterprise sites. Three retail plans — Standard, Plus, and Pro — are designed for SMBs under our BigCommerce Essentials offering.

Mid-market and large enterprise customers

- **BigCommerce Enterprise Plan:** For customers with yearly online sales above \$1 million, our entire suite of B2B and B2C features for catalog, sales, merchandising, and customer management. Pricing for BigCommerce Enterprise is quoted based on each business's unique profile.

SMB customers

- **BigCommerce Standard Plan:** Entry level pricing suitable for small ecommerce sites with yearly online sales under \$50,000 (\$29.95 per month).
- **BigCommerce Plus Plan:** All the features of the Standard plan with additional tools for customer segmentation and winning back abandoned carts. Suitable for online commerce sites up to \$150,000 in yearly sales (\$79.95 per month).
- **BigCommerce Pro Plan:** Comprehensive commerce tools and features to build and scale an online business (starting at \$299.95 per month).

Customer support

We provide 24/7/365 in-house phone, email, and chat support. We offer three types of support plans: (1) standard support is included on all subscriptions; (2) express routing provides phone queue prioritization for mid-tiered Enterprise plans; and (3) priority support includes queue prioritization and routing for the highest-tiered Enterprise plans to our most senior and experienced support personnel. Our support team achieved a strong average customer satisfaction score of 92% across all contact channels in 2019.

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We also offer three types of technical support: (1) Tier 1 for basic problem solving and solutioning involving platform functionality; (2) Tier 2 for advanced solutioning involving platform functionality, third-party applications or API integrations; and (3) product support engineering for complex API or third-party integrations, developer inquiries, and bug identification and triage.

In addition to our traditional customer support, we provide a comprehensive self-help and community resources knowledge base designed to quickly find information about our platform and ecosystem. The self-help center provides access to online resources, articles, and videos that guide customers and agency partners to use product features, set up stores, and troubleshoot issues.

Services

BigCommerce offers paid professional services that complement the capabilities of our customers and their agency partners. Our services help speed customers' time-to-market and improve the success and growth of their businesses. Optional services include education packages, launch services, solutions architecting, implementation consulting, and catalog transfer services. Education packages range from on-demand, virtual tutorials to full-day, on-site training sessions. Launch services assist SMBs through store setup and application selection tasks. Solutions architecting works with our larger customers' in-house developers and agency partners to design integrations and experiences leveraging our open platform APIs. Implementation consulting helps customers and their agency partners outline and execute project plans, on time and within budget. Catalog transfer services perform data migrations from the most common ecommerce platforms into our platform.

In addition, post-launch, customers on Enterprise plans above specific thresholds receive named enterprise account managers. These account managers provide dedicated assistance and ongoing advice on product enhancements, partner solutions, and operational best practices. Optionally, customers can also pay for increments of dedicated technical account management that assist in technical decision making and change management.

Technology, infrastructure and operations

We have designed our platform with enterprise-grade security, reliability, and scalability as top priorities. Core contributors to our strengths in these areas include the below.

- **Application architecture.** Our platform is built using best-of-breed open source technologies. Services and applications are connected via an underlying set of common technologies to facilitate high performance.
- **Infrastructure.** Our platform is deployed to geographically-distributed data centers, primarily on Google Cloud Platform. This allows us to leverage Google's global network to enhance performance and reliability. We scale our platform on demand to ensure ample capacity is available for our customers.
- **Security.** We are a PCI-DSS Level 1 certified service provider, adhering to a rigorous set of standards to secure customer data. We are also ISO 27001 certified, ensuring our controls and information security management system meet international published standards. Both certifications are internally and externally audited regularly.
- **Automation.** Testing and monitoring are highly automated, providing our global team the ability to prevent or mitigate problems quickly. This competency enables us to develop and deploy new features in an accelerated fashion while ensuring proper functionality and platform operation.

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- **Site Speed.** Our server response time and page-load speeds are faster than other leading ecommerce platforms.
- **Uptime.** Across all sites, our stores achieved 99.98% average uptime in 2019, and as of June 1, 2020, our average uptime for 2020 was 99.99%.

Our customers

We serve a range of customer sizes, geographies, and customer segments including B2C, B2B, and DNBs. We distinguish market segments based on annual gross merchandise volume (“GMV”) per site, specifically: SMB (\$0 to \$1 million), mid-market (\$1 million to \$50 million), and large enterprise (greater than \$50 million). BigCommerce was recognized in April 2019 as a Gartner Peer Insights Customers’ Choice for Digital Commerce, in the large enterprise segment.



Customer case studies

Burrow

Situation:

Burrow helped change the direct-to-consumer furniture landscape and evolved from a single-product, single-channel, single-vendor business to a multi-product, multi-channel, multi-vendor business. Its previous ecommerce platform was not capable of handling these demands. Burrow needed a solution that could support multiple fulfillments and shipments, associate those back to orders, and communicate shipping terms accurately to customers. Because its previous ecommerce servers were located in Europe, transaction latency was high, and Burrow did not have the flexibility it needed with its ecommerce experience.

Solution:

Burrow began to use our platform in July 2019. Burrow chose BigCommerce because our platform allowed Burrow to create customized templates while handling its modular catalog on the backend. Burrow's site is

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integrated with AfterShip, which allows Burrow to send real-time shipment information to its customers. With headless on BigCommerce, Burrow found the agility it needed to create and maintain a unique ecommerce experience – simplifying furniture shopping for its customers.

Outcome:

After choosing our platform, Burrow reported the following outcomes:

- 50% increase in speed and performance, as measured by Google Lighthouse as of December 2019, since BigCommerce migration
- 30% increase in ecommerce conversion rate in the eight weeks after the migration, compared to the eight weeks prior to the migration to our platform

Natori

Situation:

The Natori Company is a high-end women's fashion brand. Natori has been selling to wholesalers for over 40 years, has been selling direct-to-consumer for more than 12 years, and recently increased its commitment to and investment in its direct-to-consumer business. Managing a large product catalog containing beautiful apparel and accessories was challenging given all the creative assets, photography, and content required to tell a compelling brand story—especially with Natori's small in-house team. Additionally, Natori previously had difficulty managing its photos and swatch functionality and controlling the sort order of products on all product listing pages. Natori also faced limitations on promo codes and was unable to display ratings and reviews effectively.

Solution:

Natori re-platformed to BigCommerce in November 2016 and redesigned its website to be more innovative and strategic. With BigCommerce, Natori is now able to upload all images per product and easily control the order in which they are seen, connecting the images to swatches for a more compelling user experience. Natori is quickly and easily able to adjust its product layout without the need for tedious input of a sort order number for each product. Using BigCommerce, Natori now has multiple options for executing promo codes and cart level discounts and can showcase ratings and reviews to enhance the customer shopping experience.

Outcome:

After re-platforming to our open SaaS solution, Natori reported the following outcomes:

- Conversion rate up 109.9% in 2019 compared to 2018
- Total orders up 41.7% in 2019 compared to 2018
- Units sold up 45.4% in 2019 compared to 2018
- Revenue up 23.3% in 2019 compared to 2018

Berlin Packaging

Situation:

Berlin Packaging evolved from a small North American packaging business into a \$2.8 billion global packaging provider serving B2B customers across almost all industries that need containers. With this business shift came the need to find the right ecommerce platform for its B2B sales. Berlin Packaging spent years of research evaluating a wide variety of different platforms before selecting BigCommerce.

Solution:

Berlin Packaging began to use our platform in July 2017. BigCommerce met Berlin Packaging's B2B requirements, and Berlin Packaging selected our platform based on pricing, configuration, and functionality. Berlin Packaging integrated BigCommerce into its complex operations and improved service delivery thanks to BigCommerce data and ERP integration. Finally, Berlin Packaging created on-premise-like customizations using BigCommerce APIs, saving money and time.

Outcome:

After selecting our platform, Berlin Packaging reported the following outcomes:

- Revenue up 54% in 2019 compared to 2018
- Sessions up 44% in 2019 compared to 2018
- Conversion rate up 87% in 2019 compared to 2018
- New visitors up 41% in 2019 compared to 2018

Zwift

Situation:

For Zwift, the popular app that turns indoor cycling and running into a game, expansion into ecommerce proved complex. Prior to adopting our platform, Zwift piloted a custom platform built by its developers. The pilot demonstrated demand among Zwift's passionate customer base for products relevant to indoor training. To progress from pilot to full-scale launch, Zwift sought an ecommerce platform with powerful APIs, customizability, and the ability to handle its many specific requirements.

Solution:

Zwift began to use our platform in November 2018. Zwift used BigCommerce to incorporate sales of physical goods into its branded website and seamlessly integrate with numerous third-party applications. BigCommerce supported Zwift's single-sign-on provider, integrated in a headless fashion with Zwift's CMS, powered its progressive web app programmed in React, and connected purchase history with Zwift profiles and support technology. This technical stack allows Zwift to introduce additional systems and applications without having to reprogram its commerce engine.

Outcome:

After adopting our platform, Zwift reported that revenue doubled in 2019 compared to 2018.

Skullcandy

Situation:

Skullcandy, a unique audio lifestyle brand, was looking for an ecommerce platform that was innovative, affordable, and easy to manage. Their prior ecommerce platform lacked agility, saddling Skullcandy with extensive and expensive custom development. They sought an ecommerce platform that could match their fast-paced and rich-content marketing and product campaigns and accelerate global ecommerce growth and expansion.

Solution:

When deciding on a platform, Skullcandy prioritized advanced functionality that would grow with time, nimbleness, resource efficiency, and versatility. BigCommerce uniquely met these criteria. With BigCommerce, Skullcandy felt that they had entered a mutually beneficial partnership. Skullcandy began to use our platform in February 2018. Skullcandy migrated all nine of its international sites within six months and reduced its overall operational cost. Additionally, Skullcandy reduced its time to make merchandising and user experience changes by two thirds.

Outcome:

After deciding to migrate to our platform, Skullcandy reported the following outcomes:

- 162% increase in revenue in 2019 compared to 2018
- 103% increase in order volume in 2019 compared to 2018
- 62% increase in conversion rate in 2019 compared to 2018

Technology partner and application ecosystem

We have built and maintain one of the largest and highest-quality technology partner and application ecosystems in the industry. Spanning 15 primary categories and more than 600 independent partners, this ecosystem provides wide-ranging functionality that complements the native product strengths of BigCommerce. Key ecosystem categories include the following:

- Payments and security
- Accounting, tax, and ERP
- Analytics and reporting
- CRM and customer service
- Shipping and fulfillment
- B2B and wholesale
- Marketing, merchandising, and personalization
- Channel selling: marketplaces, social networks, POS, search engines, and advertising

Whereas our largest competitors have chosen to compete across a range of ecosystem categories, we put our partners first by focusing our investment on our core platform and the integration frameworks that enable partner success with us. We believe our mid-market and large enterprise customers prefer best-of-breed solutions in each category, rather than a proprietary software stack. This strategy aligns our interests with our technology partners and has materially increased their demonstrated investment in creating tightly integrated solutions for our shared customers. Many of our strategic technology partners pay us high-margin revenue share and/or actively cross-sell our platform to their existing customer bases.

Our partners' technology solutions are introduced and promoted to customers and prospects at multiple stages of their interaction with our platform, including the following:

- In the sales process, as our sales team frames the right architecture of solutions for their unique needs

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- In the onboarding process, as newly signed Enterprise customers are presented with partner technologies in a consultative discussion focused on their business needs
- During the trial phase, in which customers are presented with partner technologies in their control panel and in email marketing
- Through support and account management, as existing customers are presented with relevant partner technologies that can help their businesses grow
- Through integrated campaigns, designed to stimulate interest in learning more about how partner solutions can enhance our customers' businesses
- Through the BigCommerce Apps Marketplace, where technology partners are listed and highlighted in one of three tiers based on differentiated levels of strategic collaboration

Sales and marketing

Mid-market and large enterprise

The largest lead source of new mid-market and large enterprise sales is organic, inbound interest. Referrals, reputation, and promotion from our existing customers play primary roles in generating inbound interest. We believe excellence in product marketing, content marketing, and thought leadership also heavily influence customer discovery and research. We view inbound discovery and conversion as the foundation for success in our enterprise marketing. Agency partners are our second largest source of new mid-market and large enterprise business. Technology partners are also increasingly becoming a meaningful source of new sales opportunities. We employ a range of paid enterprise marketing techniques including search engine marketing, campaigns, webinars, and events. To maximize return on investment, we continuously measure and optimize spend, and we focus on conversion rates throughout the acquisition funnel. All our new mid-market and large enterprise customers work with our sales team to negotiate contracts specific to their size and profile of business.

Small business

Most of our new SMB customers originate as self-serve trials. Positive reputation, word-of-mouth, and customer promotion all contribute to organic customer acquisition. For this reason, the success of existing customers is one of our top priorities. Our marketing focuses on effective product and content marketing that highlights the advantages of our solution, its applicability to various use cases, and customer success stories. We use search engine optimization techniques to ensure widespread discoverability. Our top two paid marketing categories are search engine marketing and affiliates, each of which are managed with a focus on optimizing return on investment. We also invest in display and social marketing, generally as complements to other acquisition strategies. More than 70% of our new SMB customers self-serve directly on our website, without the need for, or cost of, sales assistance. Our sales team and strategic agency and technology partners source the remainder of our new SMB clients.

International presence

We serve customers in approximately 120 countries. Our platform enables businesses to create stores in the consumer-facing language and currency of their choice. For the administrative control panel used by our customers to create and manage their stores, we currently allow our customers to select among a range of languages, including English, Chinese, French, Italian, and Ukrainian. We plan to add additional languages in 2020.

We maintain our headquarters in Austin, Texas, where approximately 75% of our employees are located, as of December 31, 2019. We were originally founded in Sydney, Australia. In 2019, we expanded the size of the

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Sydney sales and marketing team, established our first presence in Asia, and hired our first regional vice president and general manager of APAC, resulting in 28% APAC revenue growth in 2019. Before opening our first European office in London in July 2018, we had already acquired several thousand customers in Europe. The London office, along with the cost-effective scaling of our product and engineering talent in Kyiv, Ukraine, resulted in accelerating EMEA revenue growth of 20% in 2019. Our platform continues to enable customers to self-serve globally, including in regions in which we lack a local business presence, such as Latin America, Africa, and the Middle East.

Culture and values

Our culture is built on our corporate values: Customers First, Team on a Mission, Think Big, Act with Integrity, and Make a Difference Every Day. Together our values and caring culture create an atmosphere that enables us to successfully recruit and retain talented and passionate team members. Our team members are our “secret sauce.” Their dedication, talent, and spirit create a virtuous cycle of service, product excellence, and customer satisfaction.

We frequently win “best places to work” public recognition across our largest work centers of Austin, Texas; San Francisco, California; and Sydney, Australia. We are also a mission-driven company. Our mission is to power global ecommerce success by delivering the industry’s best and most versatile multi-tenant SaaS platform. This mission inspires our employees, who join BigCommerce to accomplish great things for our customers, partners and company. We, in turn, commit to helping our employees thrive in an environment that is fun, fast-paced, and challenging.

Competition

In the mid-market and large enterprise segments, our primary competitors are Magento (an Adobe company), Salesforce Commerce Cloud (f/k/a Demandware), and Shopify Plus. In the SMB segment, our primary competitors are Shopify and WooCommerce. BuiltWith has identified more than 500 platforms of various sizes around the world. Our industry is highly competitive. We believe we can compete on the principal competitive factors in our market, as listed below:

- Ecommerce vision and product strategy
- Integrated, all-in-one capabilities
- Features and functionality
- Cross-channel commerce capabilities
- Ease and speed of implementation
- Ease-of-use and -operation
- Platform openness, flexibility, and extensibility
- Hosting infrastructure, reliability, architecture, and speed
- Breadth, depth, and quality of application and technology ecosystem
- Breadth, depth, and quality of developer and agency partner ecosystem
- Direct platform costs

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- Total cost of ownership, including all software, hardware, engineering, agency, and other costs
- Uptime and reliability
- Site speed and response time
- Security
- Scalability
- Pace of product innovation
- Name recognition and brand reputation
- Product fit in markets across the geographies in which we provide our offerings

Several of our competitors are large, well-known public companies with greater financial, technical, and sales and marketing resources. Most of these public competitors sell a range of software and services, which allows them to cross-sell and competitively price across product lines. Because of their size and long history, our largest competitors possess considerably more customer awareness than we do. Many ecommerce platforms were in existence years before we launched in 2009. We expect competition to increase in the future.

Despite the competitive intensity, we believe we can compete successfully on the basis of the factors listed above. Our SaaS model and disruptive strategy allows us to serve a wide range of the global market with a solution that is easier to implement and manage, less expensive, more feature rich, and more open than most of our competitors' offerings.

Intellectual property

We rely on a combination of trade secret, trademark, copyright, patent, and other intellectual property laws to protect our intellectual property. We also rely on contractual arrangements, such as license, assignment, and confidentiality agreements, and technical measures.

We have one issued patent in the United States, which expires March 20, 2036, and one pending patent application. We have been issued federal registrations for trademarks, including "BigCommerce," related stylized marks, and "Make It Big," and have multiple pending trademark applications. We hold domestic and international domain names that include "BigCommerce" and similar variations.

We control access to our intellectual property and confidential information through internal and external controls. We require our employees and independent contractors to enter agreements assigning to us any inventions, trade secrets, works of authorship, and other technology and intellectual property created for us and protecting our confidential information. We generally enter into confidentiality agreements with our vendors and customers.

Employees

As of December 31, 2019, we had 690 full-time employees, including 190 in research and development, 181 in sales and marketing, and 319 in professional services and customer support. Of these employees, 592 are in the United States and 98 are in our international locations. We consider our culture and employees to be vital to our success. None of our employees are represented by a labor union or covered by collective bargaining agreements, and we have not experienced any work stoppages.

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A portion of our services are provided using Ukrainian IT specialists. These Ukrainian IT specialists, who provide services on our behalf, are registered as “private entrepreneurs” with the tax authorities of Ukraine and operate as independent contractors.

Facilities

Our worldwide corporate headquarters is located in Austin, Texas. It covers 70,682 square feet pursuant to an operating lease that expires in 2028. We also have office locations in London, San Francisco, and Sydney, Australia. We believe our current facilities are suitable and adequate to meet our current needs. We intend to add new facilities or expand existing facilities as we add employees, and we believe suitable additional or substitute space will be available as needed to accommodate any such expansion of our operations.

Regulatory considerations

The legal environment of internet-based businesses, both in the United States and internationally, is evolving rapidly and is often unclear. For example, we occasionally cannot be certain which laws will be deemed applicable to us given the global nature of our business. This ambiguity includes topics such as data privacy and security, pricing, advertising, taxation, content regulation, and intellectual property ownership and infringement. See the section titled “Risk Factors—Risks related to our business and industry—Evolving global internet laws, regulations and standards, privacy regulations, cross-border data transfer restrictions, and data localization requirements, may limit the use and adoption of our services, expose us to liability, or otherwise adversely affect our business.”

Data protection and privacy

Our platform and the customer data it uses, collects, and processes to run our business are an integral part of our business model. As a result, our compliance with laws dealing with the use, collection, and processing of personal data is core to our strategy. Regulators around the world have adopted or proposed requirements regarding the collection, use, transfer, security, storage, destruction, and other processing of personal data. These laws are increasing in number, enforcement, and fines and other penalties. All states have adopted laws requiring notice to consumers of a security breach involving their personal information. In the event of a security breach, these laws may subject us to incident response, notice and remediation costs. Failure to safeguard data adequately or to destroy data securely could subject us to regulatory investigations or enforcement actions under federal or state data security, unfair practices, or consumer protection laws. The scope and interpretation of these laws could change, and the associated burdens and compliance costs could increase in the future. Two such governmental regulations that have significant implications for our platform are the GDPR and the California Consumer Privacy Act (“CCPA”).

The GDPR became effective in May 2018, implementing more stringent requirements in relation to the use of personal data relating to European Union individuals. Personal data includes any type of information that can identify a living individual, including name, identification number, email address, location, internet protocol addresses, and cookie identifiers. Among other requirements, the GDPR mandates notice of and a lawful basis for data processing activities, data protection impact assessments, a right to “erasure” of personal data, and data breach reporting.

In the United States, California adopted the CCPA, which became effective in January 2020. The CCPA establishes a privacy framework for covered businesses, including an expansive definition of personal information and data privacy rights for California residents. Among other requirements, the CCPA mandates new disclosure to consumers and allows consumers to opt out of sales of personal information. The CCPA includes a framework with potentially severe statutory damages and private rights of action.

Anti-corruption and sanctions

We are subject to the Foreign Corrupt Practices Act of 1977, as amended (“FCPA”). The FCPA prohibits corporations and individuals from engaging in improper activities to obtain or retain business or to influence a person working in an official capacity. It prohibits, among other things, providing, directly or indirectly, anything of value to any foreign government official, or any political party or official thereof, or candidate for political influence to improperly influence such person. Similar laws exist in other countries, such as the UK, that restrict improper payments to persons in the public or private sector. Many countries have laws prohibiting these types of payments within the respective country. Historically, technology companies have been the target of FCPA and other anti-corruption investigations and penalties.

In addition, we are subject to U.S. and foreign laws and regulations that restrict our activities in certain countries and with certain persons. These include the economic sanctions regulations administered by the U.S. Treasury Department’s Office of Foreign Assets Control and the export control laws administered by the U.S. Commerce Department’s Bureau of Industry.

Legal proceedings

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. We have received, and may in the future continue to receive, claims from third parties asserting, among other things, infringement of their intellectual property rights. Future litigation may be necessary to defend ourselves, our partners and our customers by determining the scope, enforceability and validity of third-party proprietary rights, or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Management

Directors and executive officers

The following table sets forth the names, ages and positions of our directors and executive officers as of the date of this prospectus.

Name	Age	Position
Brent Bellm	49	President, Chief Executive Officer, and Chairman
Robert Alvarez	47	Chief Financial Officer
Lisa Pearson	52	Chief Marketing Officer
Jimmy Duvall	48	Chief Product Officer
Brian Dhatt	44	Chief Technology Officer
Russell Klein	50	Chief Commercial Officer
Jeff Mengoli	49	Chief Legal Officer and Secretary
Marc Ostryniec	44	Chief Sales Officer
Paul Vaillancourt	63	Chief Services Officer
Thomas Aylor	44	Vice President, Principal Accounting Officer
Lawrence Bohn	69	Director
Donald E. Clarke	61	Director
John T. McDonald	57	Director
Steven Murray	51	Director
Jeff Richards	48	Director
Ellen F. Siminoff	52	Director

Brent Bellm has served as our president, chief executive officer, and the chairman of our board of directors since June 2015. Prior to joining our company as our chief executive officer, Mr. Bellm was the president and chief operating officer of HomeAway Inc., a vacation rental online marketplace, from July 2010 to June 2015. Previously, Mr. Bellm served in various capacities at PayPal Holdings, Inc. from December 2002 to July 2010, most recently as vice president of global product, and at eBay, Inc. as director of corporate strategy from April 2001 to December 2002. Mr. Bellm worked with McKinsey & Company from September 1993 to January 2000. Mr. Bellm holds a B.A. in International Relations and Economics from Stanford University and an M.B.A. from Harvard Business School. We believe Mr. Bellm is qualified to serve as a member of our board of directors due to his perspective as our president and chief executive officer.

Robert Alvarez has served as our chief financial officer since October 2011. Prior to serving in this capacity, Mr. Alvarez served as the chief financial officer of LibreDigital, Inc. from June 2009 to September 2011. Previously, he served as the chief financial officer of Augmentix Corporation from February 2006 to March 2009. He serves as a member of the board of directors of the Austin Technology Counsel. Mr. Alvarez holds a B.B.A. in Accounting from the University of Texas at Austin.

Lisa Pearson has served as our chief marketing officer since July 2018. Prior to serving as our chief marketing officer, Ms. Pearson worked in various capacities at Umbel Corp., a digital marketplace, from August 2015 to February 2018, where she most recently served as chief executive officer, and at Bazaarvoice, Inc. from December 2010 to February 2015, where she most recently served as chief marketing officer. Ms. Pearson served as a member of the board of directors of Alert Logic from 2014 to 2016. Ms. Pearson holds a B.A. in Literature from Tulane University.

Jimmy Duvall has served as our chief product officer since July 2016. Prior to serving as our chief product officer, Mr. Duvall was vice president of product at Hootsuite Media Inc., a social media management platform, from December 2014 to July 2016. Previously Mr. Duvall was head of product, Magento at eBay Inc. from June 2012 to April 2014. Mr. Duvall holds a B.S. in Computer Information Systems from DeVry University.

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Brian Dhatt has served as our chief technology officer since October 2016. Prior to serving as our chief technology officer, Mr. Dhatt served as chief technology officer for Borderfree, Inc. from March 2013 to January 2016. Previously, Mr. Dhatt worked in various capacities at the Gilt Groupe from November 2010 to March 2013, most recently as a vice president of engineering and product. Mr. Dhatt holds a B.S. in Computer Science from Duke University.

Russell Klein has served as our chief commercial officer since January 2018. Prior to serving as our chief commercial officer, Mr. Klein served as our senior vice president of corporate development from October 2015 to January 2018. Previously he was the co-founder and chairman of the board of directors of Librify Inc. from 2013 to 2015, and the co-founder and chief executive officer of Sendme, Inc. from May 2006 to December 2014. Mr. Klein holds a B.A. in Economics and East Asian Studies from the University of Pennsylvania and an M.B.A. from Harvard Business School.

Jeff Mengoli has served as our chief legal officer and secretary since July 2020. Prior to serving as our chief legal officer, Mr. Mengoli served as our general counsel beginning May 2016. Prior to serving as our general counsel, Mr. Mengoli worked with the Alibaba Group in various capacities from 2000 to 2016, including as general counsel for its United States subsidiaries. Mr. Mengoli was an associate at Wilson, Sonsini, Goodrich & Rosati LLP from 1997 to 1999 and an associate at Gibson, Dunn & Crutcher LLP from 1995 to 1997. Mr. Mengoli holds an A.B. in Economics from Harvard University and a J.D. from the University of California, Berkeley.

Marc Ostryniec has served as our chief sales officer since June 2020. Prior to serving as our chief sales officer, Mr. Ostryniec served as our senior vice president of sales beginning January 2019. Prior to serving as our senior vice president, Mr. Ostryniec worked for Experian plc, serving as the head of partner solutions sales from August 2016 to December 2018 and as the head of sales of CSIdentity from September 2011 to August 2016. Mr. Ostryniec holds a Bachelor of Science in Computer Engineering from Virginia Polytechnic Institute and State University.

Paul Vaillancourt has served as our chief services officer since June 2020. Prior to serving as our chief services officer, Mr. Vaillancourt served as our senior vice president of client success and operational excellence beginning May 2013. Prior to serving as our senior vice president, Mr. Vaillancourt served as senior vice president of contact center operations for Support.com, Inc. from January 2008 to May 2013 and vice president of customer support for Activant Solutions Inc. from March 2005 to January 2008.

Thomas Aylor has served as our vice president, principal accounting officer since July 2020. Prior to joining BigCommerce, Mr. Aylor served as the chief financial officer of ProjectManager.com, a project management software provider, from September 2019 to July 2020. Previously, Mr. Aylor served as the chief financial officer of RetailMeNot, Inc., an online savings platform, from July 2017 to March 2019, and as its vice president, finance and principal accounting officer from August 2012 to July 2017. Prior to joining RetailMeNot, Inc., Mr. Aylor spent twelve years at Ernst & Young LLP in a variety of roles. Mr. Aylor holds a Bachelor of Business Administration in Accounting from Texas State University.

Lawrence Bohn has been a member of our board of directors since July 2011. Mr. Bohn has served as a managing director of General Catalyst Partners, a venture capital firm, since April 2003. Prior to joining General Catalyst, Mr. Bohn served as the president, chief executive officer and chairman of the board of directors of NetGenesis Corp. and president of PC Docs, Inc. Mr. Bohn served on the boards of directors of HubSpot, Inc. and Demandware, Inc. from 2007 until October 2017 and 2004 until January 2016, respectively. He also currently serves on the board of directors of several privately-held companies. Mr. Bohn holds a B.A. in English from the University of Massachusetts, Amherst, and an M.A. in Linguistics from Clark University. We believe Mr. Bohn is qualified to serve as a member of our board of directors because of his executive leadership experience and extensive experience in the fields of cloud computing and SaaS.

Donald E. Clarke has been a member of our board of directors since December 2016. Since January 2014, Mr. Clarke has served as the chief financial officer for Plex Systems, Inc., a cloud-based enterprise resource planning company. Previously, he served as the chief financial officer for Eloqua, Inc. from March 2008 to March 2013. Prior to working at Eloqua, Mr. Clarke served as chief financial officer for Cloakware, Inc. from August 2006 to February 2008 and for Visual Networks, Inc. from July 2004 to March 2006. Mr. Clarke has served as a member of the board of directors of Alarm.com Holdings, Inc. since May 2014. He is a member of the American Institute of Certified Public Accountants and holds a B.S. in Accounting from Virginia Polytechnic Institute and State University. We believe Mr. Clarke is qualified to serve as a member of our board of directors because of his experience in operations, strategy, accounting, and financial management at both publicly and privately held companies.

John T. McDonald has been a member of our board of directors since August 2019. Since July 2010, Mr. McDonald has served as the chief executive officer and chairman of the board of directors of Upland Software Inc., a cloud-based software developer. Prior to founding Upland in 2010, Mr. McDonald was chief executive officer of Perficient, Inc. from 1999 to 2009, and chairman from 2001 to 2010. Mr. McDonald was an associate with Skadden, Arps, Slate, Meagher & Flom LLP in New York from 1987 to 1993. Mr. McDonald served as chairman of the Greater Austin Chamber of Commerce and as a member of the board of directors of several private companies and nonprofit organizations. Mr. McDonald holds a B.A. in Economics from Fordham University and a J.D. from Fordham Law School. We believe Mr. McDonald is qualified to serve as a member of our board of directors because of his experience and his background in the technology industry, including serving as chairman and chief executive officer of two publicly traded technology companies.

Steven Murray has been a member of our board of directors since June 2018. Since January 2016, Mr. Murray has served as a partner at Revolution Growth, a venture capital firm. From April 1996 to January 2016, Mr. Murray worked at SoftBank Capital in various capacities, most recently as a partner. Previously, Mr. Murray worked for Deloitte & Touche LLP, from 1989 to 1996. Mr. Murray serves on the boards of directors for a number of public and private companies, including Fitbit, Inc. since June 2013, DraftKings, Inc. since August 2016, and Interactions Corporation since June 2013. Mr. Murray holds a B.S. in Accounting from Boston College. We believe Mr. Murray is qualified to serve as a member of our board of directors due to his extensive experience with technology companies including his experience as a member of public company boards of directors.

Jeff Richards has been a member of our board of directors since May 2016. Mr. Richards has served as a managing partner at GGV Capital, a California-based venture capital firm, since 2010, after joining the firm in 2008. Prior to joining GGV Capital, Mr. Richards founded two technology companies: R4 Global Solutions, Inc., which was acquired by Verisign, Inc. in 2005, and QuantumShift Communications, Inc. Mr. Richards served as vice president of digital content services at Verisign, Inc. from May 2005 to May 2008. Previously, Mr. Richards was a management consultant with PricewaterhouseCoopers LLP from April 1995 to October 1997. He currently sits on the boards of directors of multiple private software and technology companies. Mr. Richards holds a B.A. in Government from Dartmouth College. We believe Mr. Richards is qualified to serve as a member of our board of directors due to his extensive experience with global technology companies.

Ellen F. Siminoff has been a member of our board of directors since February 2020. Ms. Siminoff has served on the board of Zynga, Inc., the world's leading provider of social games, since June 2012 and the board of Discovery Education, a provider of digital curriculum resources and professional learning for K-12 classrooms, since August 2019. Ms. Siminoff also serves as a member of the Advisory Council of the Stanford Graduate School of Business. Ms. Siminoff previously served on the board of directors of Shmoop University, Inc., an educational publishing company, from March 2007 to February 2019 and on the board of directors for SolarWinds Inc., a provider of downloadable, enterprise-class network management software from June 2008 to February 2016. She also served as a founding executive at Yahoo! from February 1996 to February 2002. Ms. Siminoff holds an A.B. degree in Economics from Princeton University and an M.B.A. from the Stanford Graduate School of Business. We believe Ms. Siminoff is qualified to serve as a member of our board of directors because of her experience as a long-tenured media and technology executive and board member.

Composition of the board of directors

Our business and affairs are managed under the direction of our board of directors. Following the closing of this offering, we expect our board of directors to initially consist of seven directors. The current members of the board of directors were elected pursuant to a voting agreement among certain of our preferred and common stockholders, which entitles certain holders to elect directors. Upon the closing of this offering, such voting agreement will terminate and there will be no further obligation to which we are a party regarding the election of our directors. Following this offering, no stockholder will have any special rights regarding the election or designation of members of our board of directors. Each of our current directors will continue to serve as a director until the election and qualification of his or her successor or until his or her earlier death, resignation, or removal. There are no family relationships among any of our directors or executive officers.

Classified board of directors

In accordance with our amended and restated certificate of incorporation and amended and restated bylaws that will become effective upon the closing of this offering, our board of directors will be divided into three staggered classes of directors. At each annual meeting of the stockholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring. Our directors will be divided among the three classes as follows:

- our Class I directors will be Lawrence Bohn, Jeff Richards, and Brent Bellm, and their terms will expire at the first annual meeting of stockholders following the date of this prospectus;
- our Class II directors will be Steven Murray and John T. McDonald, and their terms will expire at the second annual meeting of stockholders following the date of this prospectus; and
- our Class III directors will be Donald E. Clarke and Ellen F. Siminoff, and their terms will expire at the third annual meeting of stockholders following the date of this prospectus.

Our amended and restated certificate of incorporation and amended and restated bylaws provide that the number of our directors shall be fixed from time to time by a resolution of a majority of our board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class shall consist of one third of our board of directors. Vacancies on our board of directors can be filled by resolution of our board of directors.

The division of our board of directors into three classes with staggered three-year terms may delay or prevent stockholder efforts to effect a change of our management or a change in control.

Director independence

Under the rules of Nasdaq, independent directors must comprise a majority of a listed company's board of directors within a specified period of the completion of this offering. In addition, the rules of Nasdaq require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committee be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. Under the rules of Nasdaq, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

In connection with this offering, our board of directors undertook a review of its composition, the composition of its committees, and the independence of our directors, and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in

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carrying out his or her responsibilities. Based upon information requested from and provided by each director concerning his or her background, employment, and affiliations, including family relationships, our board of directors has determined that each of Lawrence Bohn, Donald E. Clarke, John T. McDonald, Steven Murray, Jeff Richards, and Ellen F. Siminoff, representing six of our seven directors that will be seated upon the closing of this offering, do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and is “independent” as that term is defined under the rules of Nasdaq. In making this determination, our board of directors considered the relationships that each non-employee director has with us and all other facts and circumstances our board of directors deemed relevant in determining independence, including the beneficial ownership of our common stock by each non-employee director and the relationship of certain non-employee directors with certain of our significant stockholders.

Background and experience of directors

Upon the completion of this offering, our nominating and corporate governance committee will be responsible for reviewing with our board of directors, on an annual basis, the appropriate characteristics, skills and experience required for the board of directors as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current members), the nominating and corporate governance committee, in recommending candidates for election, and the board of directors, in approving (and, in the case of vacancies, appointing) such candidates, will take into account many factors, including the following:

- personal and professional integrity;
- ethics and values;
- experience in corporate management, such as serving as an officer or former officer of a publicly held company;
- experience in the industries in which we compete;
- experience as a board member or executive officer of another publicly held company;
- diversity of background and expertise and experience in substantive matters pertaining to our business relative to other board members;
- conflicts of interest; and
- practical and mature business judgment.

Board committees

Our board of directors has established an audit committee and a compensation committee and will establish a nominating and corporate governance committee prior to the closing of this offering. The composition and responsibilities of each committee are described below. Our board of directors may also establish from time to time any other committees that it deems necessary or desirable. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

Audit committee

Upon the completion of this offering, we expect our audit committee will consist of Donald E. Clarke, Steven Murray, and Jeff Richards, each of whom our board of directors has determined satisfies the independence requirements for audit committee members under the listing standards of Nasdaq and Rule 10A-3

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under the Exchange Act. Each member of our audit committee meets the financial literacy requirements under the rules and regulations of Nasdaq and the SEC. The chair of our audit committee will be Mr. Clarke, who our board of directors has determined is an “audit committee financial expert” as defined by Item 407(d) of Regulation S-K.

Our audit committee is responsible for, among other things:

- selecting and hiring our independent auditors, and approving the audit and non-audit services to be performed by our independent auditors;
- assisting the board of directors in evaluating the qualifications, performance, and independence of our independent auditors;
- assisting the board of directors in monitoring the quality and integrity of our financial statements and our accounting and financial reporting;
- assisting the board of directors in monitoring our compliance with legal and regulatory requirements;
- reviewing the adequacy and effectiveness of our internal control over financial reporting processes;
- assisting the board of directors in monitoring the performance of our internal audit function;
- monitoring the performance of our internal audit function;
- reviewing with management and our independent auditors our annual and quarterly financial statements;
- establishing procedures for the receipt, retention, and treatment of complaints received by us regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters; and
- preparing the audit committee report that the rules and regulations of the SEC require to be included in our annual proxy statement.

Our audit committee will operate under a written charter, to be effective prior to the closing of this offering, that satisfies the applicable listing standards of Nasdaq.

Compensation committee

Upon the completion of this offering, we expect our compensation committee will consist of John T. McDonald, Ellen F. Siminoff, and Lawrence Bohn, with Mr. Bohn serving as chair. Our board of directors has determined that each of the compensation committee members is a non-employee member of our board of directors as defined in Rule 16b-3 under the Exchange Act and an outside director as that term is defined in Section 162(m) of the Code. The composition of our compensation committee meets the requirements for independence under the current listing standards of Nasdaq and current SEC rules and regulations. Decisions regarding the compensation of our executive officers have historically been made by the compensation committee.

The compensation committee will be responsible for, among other things:

- reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer, evaluating our chief executive officer’s performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board of directors), determining and approving our chief executive officer’s compensation level based on such evaluation;

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- reviewing and approving, or making recommendations to the board of directors with respect to, the compensation of our other executive officers, including annual base salary, bonus and equity-based incentives, and other benefits;
- reviewing and recommending the compensation of our directors;
- reviewing and discussing annually with management our “Compensation Discussion and Analysis” disclosure when required by SEC rules;
- preparing the compensation committee report required by the SEC to be included in our annual proxy statement; and
- reviewing and making recommendations with respect to our equity compensation plans.

Our compensation committee will operate under a written charter, to be effective prior to the closing of this offering, that satisfies the applicable listing standards of Nasdaq.

Nominating and corporate governance committee

Upon the completion of this offering, we expect our nominating and corporate governance committee will consist of Ellen F. Siminoff, Jeff Richards, and Lawrence Bohn, with Ms. Siminoff serving as chair. The composition of our nominating and governance committee meets the requirements for independence under the current listing standards of Nasdaq and current SEC rules and regulations. The nominating and corporate governance committee is responsible for, among other things:

- assisting our board of directors in identifying prospective director nominees and recommending nominees to the board of directors;
- overseeing the evaluation of the board of directors and management;
- reviewing developments in corporate governance practices and developing and recommending a set of corporate governance guidelines; and
- recommending members for each committee of our board of directors.

Our nominating and corporate governance committee will operate under a written charter, to be effective prior to the closing of this offering, that satisfies the applicable listing standards of Nasdaq.

Compensation committee interlocks and insider participation

None of our executive officers currently serves, or has served during the last completed fiscal year, as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Role of the board in risk oversight

Our board of directors has an active role, as a whole and also at the committee level, in overseeing the management of our risks. Our board of directors is responsible for general oversight of risks and regular review of information regarding our risks, including credit risks, liquidity risks, and operational risks. The compensation committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements. The audit committee is responsible for overseeing the management of risks relating to

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accounting matters and financial reporting. The nominating and corporate governance committee is responsible for overseeing the management of risks associated with the independence of our board of directors and potential conflicts of interest. Although each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board of directors is regularly informed through discussions from committee members about such risks. Our board of directors believes its administration of its risk oversight function has not negatively affected our board of directors' leadership structure.

Code of business conduct and ethics

We will adopt a new Code of Business Conduct and Ethics that applies to all our officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions, which will be posted on our website. Our Code of Business Conduct and Ethics is a "code of ethics" as defined in Item 406(b) of Regulation S-K. We will make any legally required disclosures regarding amendments to, or waivers of, provisions of our code of ethics on our website. The information contained on, or accessible from, our website is not part of this prospectus by reference or otherwise.

Executive and Director Compensation**Summary compensation table**

The following table sets forth the total compensation paid to or earned by our chief executive officer and each of our two other most highly compensated executive officers for the year ended December 31, 2019. We refer to these individuals as our “named executive officers.”

Name and principal position	Salary (\$)	Option awards (\$)(1)	Nonequity incentive plan compensation (\$)	Total (\$)
Brent Bellm <i>President and Chief Executive Officer</i>	350,000	-	65,940	415,940
Brian Dhatt <i>Chief Technology Officer</i>	325,000	158,490	42,861	526,351
Lisa Pearson <i>Chief Marketing Officer</i>	325,000	95,095	42,861	462,956

(1) The amounts reported represent the aggregate grant-date fair value of the stock and option grants awarded to the named executive officer in the periods presented, calculated in accordance with FASB ASC Topic 718. Such grant-date fair values do not take into account any estimated forfeitures related to service-vesting conditions. The assumptions used in calculating the grant-date fair value of the equity awards reported in this column are set forth in Note 9 of our audited consolidated financial statements for the years ended December 31, 2018 and December 31, 2019 appearing at the end of this prospectus. The amounts reported in this column reflect the accounting cost for these equity awards and do not correspond to the actual economic value that may be received by the named executive officers in connection therewith.

Narrative disclosure to summary compensation table**Base salary**

The initial annual base salary for Mr. Bellm was originally set forth in his employment offer letter (as described below) and, for 2019, remained at \$350,000. The base salaries for each of Mr. Dhatt and Ms. Pearson for 2019 was \$325,000 as originally set forth in their respective employment offer letters.

Annual bonus

With respect to 2019, each of Messrs. Bellm and Dhatt and Ms. Pearson was eligible to receive an annual bonus, with the target amount of such bonus for each set forth in their respective employment offer letters. For 2019, the target bonus amounts, expressed as an annualized amount in dollars: Mr. Bellm, \$150,000; Mr. Dhatt, \$97,500; and Ms. Pearson, \$97,500. The amount of the bonus that was earned for 2019 service by each of Messrs. Bellm and Dhatt and Ms. Pearson was based on the attainment of corporate performance goals as recommended by our compensation committee and determined by our board of directors. The corporate performance goals for 2019 related to our annual recurring revenue, our monthly average net new revenue, and our adjusted EBITDA.

Equity compensation

Mr. Dhatt and Ms. Pearson each received grants of stock options under our 2013 Stock Option Plan (the “2013 Plan”) in 2019. On February 27, 2019, Mr. Dhatt was granted an option to purchase 83,333 shares of our common stock and Ms. Pearson was granted an option to purchase 50,000 shares of our common stock, each with an exercise price of \$3.18 per share.

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The stock option awards granted to Mr. Dhatt and Ms. Pearson are subject to time-based vesting, with 25% of the option shares eligible to vest on the one-year anniversary following the date of grant stated on each option and the remainder eligible to vest monthly thereafter over the next three years. In order to be able to vest in the award, the named executive officer must remain continuously employed, although the named executive officers' vesting may accelerate if they incur a qualifying termination of employment.

Employment offer letters and agreements

Brent Bellm

On May 29, 2015, we entered into an employment offer letter with Brent Bellm, who currently serves as our president and chief executive officer. Mr. Bellm's employment offer letter provides for at-will employment and sets forth his initial annual base salary, target bonus and initial stock option grants, as well as his eligibility to participate in our benefit plans generally. Mr. Bellm's current annual base salary is \$350,000. Mr. Bellm also is subject to our standard Proprietary Information and Inventions Agreement regarding ownership of intellectual property.

Under Mr. Bellm's employment offer letter, as amended February 12, 2019, in the event that Mr. Bellm's employment with us is terminated at any time without cause, then, subject to and contingent upon Mr. Bellm's execution, delivery, and non-revocation of a general release and waiver in a form satisfactory to us within 60 days after the termination date, Mr. Bellm will be entitled to receive payments equal to six months of his base salary, payable in accordance with our normal payroll practices, over the three months following his termination date, and acceleration of unvested equity pursuant to the terms of Mr. Bellm's stock option agreements or other equity award agreements to the amount that would become vested during the six-month period after the date of termination or resignation.

In addition to the foregoing, in the event that Mr. Bellm's employment with us is terminated within three months prior to or eighteen months following a change in control without cause or because he resigns for good reason, then Mr. Bellm will be entitled to receive full acceleration of his unvested stock options and other equity awards.

Brian Dhatt

On September 9, 2016, we entered into an employment offer letter with Brian Dhatt, who currently serves as our chief technology officer. Mr. Dhatt's employment offer letter provides for at-will employment, subject to a 90-day notice period prior to any termination of employment, and set forth his initial annual base salary, target bonus and initial stock option grants, as well as his eligibility to participate in our benefit plans generally. Mr. Dhatt's current annual base salary is \$325,000. Mr. Dhatt also is subject to our standard Proprietary Information and Inventions Agreement regarding ownership of our intellectual property.

Under Mr. Dhatt's employment offer letter, as amended February 2, 2017, in the event that Mr. Dhatt's employment with us is terminated due to job elimination or by us without cause or Mr. Dhatt resigns for good reason, then, subject to and contingent upon Mr. Dhatt's execution, delivery, and non-revocation (if applicable) of a general release and waiver in a form satisfactory to us within 60 days after the termination date, Mr. Dhatt will be entitled to receive a lump sum payment equal to six months of his base salary on the first payroll period following the date the waiver and release becomes effective.

In addition, in the event that Mr. Dhatt's employment with us is terminated by us without cause or upon Mr. Dhatt's resignation for good reason, in either case, within three months prior to and twelve months following a change of control, then the unvested shares subject to Mr. Dhatt's stock options will be accelerated and immediately become vested, released from our repurchase right and exercisable.

Lisa Pearson

On May 10, 2018, we entered into an employment offer letter with Lisa Pearson, who currently serves as our chief marketing officer. The employment offer letter provides for Ms. Pearson's at-will employment, beginning July 9, 2018, and sets forth her initial annual base salary, target bonus and initial stock option grants, as well as her eligibility to participate in our benefit plans generally. Ms. Pearson's current annual base salary is \$325,000. Ms. Pearson is subject to our standard Proprietary Information and Inventions Agreement regarding ownership of intellectual property.

In the event that Ms. Pearson's employment is terminated by us without cause or Ms. Pearson resigns for good reason, then, subject to and contingent upon Ms. Pearson's execution, delivery, and non-revocation (if applicable) of a general release and waiver in a form satisfactory to us within 60 days after the termination date, Ms. Pearson will be entitled to receive a lump sum payment equal to six months of her base salary on the first payroll period following the date the waiver and release becomes effective.

In addition, in the event that Ms. Pearson's employment with us is terminated by us without cause or upon Ms. Pearson's resignation for good reason, in either case, within three months prior to and twelve months following a change of control, then the unvested shares subject to Ms. Pearson's stock options will be accelerated and immediately become vested, released from our repurchase right and exercisable.

Retirement benefits

Through Insperty, our professional employer organization, we participate in a retirement savings plan for the benefit of our employees, including our named executive officers. The plan is intended to qualify as a tax-qualified 401(k) plan so that contributions to the 401(k) plan, and income earned on such contributions, are not taxable to participants until withdrawn or distributed from the 401(k) plan (except in the case of contributions under the 401(k) plan designated as Roth contributions). The 401(k) plan provides that each participant may contribute up to an annual statutory limit. Participants who are at least 50 years old can also contribute additional amounts based on statutory limits for "catch-up" contributions. Under the 401(k) plan, each employee is fully vested in his or her deferred salary contributions. Employee contributions are held and invested by the plan's trustee as directed by participants.

Employee benefits and perquisites

Our named executive officers are eligible to participate in our health and welfare plans to the same extent as all full-time employees.

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The following table sets forth information regarding outstanding stock awards held as of December 31, 2019 by our named executive officers.

Name	Option awards				
	Number of securities underlying unexercised options exercisable(1)	Number of securities underlying unexercised options unexercisable	Equity incentive plan awards: Number of securities underlying unexercised unearned options	Option exercise price (\$)	Option expiration date
Brent Bellm	900,000	-	656,250	3.03	11/30/2028
Brian Dhatt	339,533	-	70,736	0.39	11/7/2026
	48,504	-	19,199	1.86	2/27/2028
	36,666	-	26,736	3.03	11/30/2028
	83,333	-	83,333	3.18	2/27/2029
Lisa Pearson	37,037	-	23,919	2.70	9/20/2028
	253,991	-	164,036	2.70	9/20/2028
	50,000	-	50,000	3.18	2/27/2029

- (1) Each option held by the named executive officers is exercisable immediately following grant, also known as “early exercisable,” and unvested shares purchased upon an early exercise are subject to a repurchase right in our favor on termination of employment that lapses along the same vesting schedule as contained in the option grant.

Director compensation

We did not pay cash or any other compensation to any of our non-employee directors during the year ended December 31, 2019, other than as described below. We do reimburse our directors for reasonable travel expenses incurred in connection with service on our board of directors. Compensation paid or accrued for services rendered to us by Mr. Bellm in his role as president and chief executive officer is included in our disclosure related to executive compensation in this section of this prospectus. Mr. Bellm does not receive additional compensation for his service on our board of directors. The compensation that Messrs. Bohn, Clarke, McDonald, Murray, and Richards received for the year ended December 31, 2019 is reported in the table below.

Name	Option awards (\$)(1)(2)	Total (\$)
Lawrence Bohn	-	-
Donald E. Clarke	-	-
John T. McDonald	106,315	106,315
Steven Murray	-	-
Jeff Richards	-	-

- (1) The amounts reported represent the aggregate grant date fair value of stock options awarded to the directors in 2019, calculated in accordance with FASB ASC Topic 718, disregarding the effect of estimated forfeitures. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in Note 9 to our consolidated financial statements included elsewhere in this prospectus. The amounts reported in this column reflect the accounting costs for the stock options and do not reflect the actual economic value that may be received by the directors upon the exercise of the stock options or any sale of the underlying shares of common stock.

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- (2) The table below shows the aggregate number of option awards outstanding as of December 31, 2019 by each director who was serving as of December 31, 2019.

<u>Name</u>	<u>Option awards</u>
Lawrence Bohn	-
Donald E. Clarke	146,666
John T. McDonald	73,333
Steven Murray	-
Jeff Richards	-

Stock option and other compensation plans

Prior to this offering, we granted awards under our 2013 Plan. Following the completion of this offering, we expect to grant stock and stock-based awards under our 2020 Plan and our 2020 ESPP. The following summaries describe the 2013 Plan and what we anticipate to be the material terms of our 2020 Plan and our 2020 ESPP. These summaries are not complete descriptions of all of the terms and are qualified in their entirety by reference to our 2013 Plan, 2020 Plan, and 2020 ESPP, each of which will be filed as exhibits to the registration statement of which this prospectus is a part. Following its adoption by our board of directors, our 2020 Plan is the only plan under which we may grant stock and stock-based awards.

2013 Plan

Our 2013 Plan, as amended, was adopted by our board of directors and approved by our stockholders on February 28, 2013. The maximum aggregate number of shares of common stock that may be issued under our 2013 Plan is 18,639,756. Our 2013 Plan provides for the grant of incentive stock options, nonstatutory stock options, restricted stock purchase rights, restricted stock bonuses, and restricted stock units (collectively, “awards”) to our employees, directors, and consultants who provide services to us. As of March 31, 2020, options to purchase 9,436,981 shares of Series 1 common stock were outstanding and, upon effectiveness of our 2020 Plan, no shares of common stock will be reserved for future grant under this plan. No awards have been granted under the 2013 Plan other than incentive stock options, nonstatutory stock options, restricted stock, and restricted stock units.

Subsequent to our initial public offering, we will not grant any additional awards under our 2013 Plan. Instead, we will grant equity awards under our 2020 Plan. Our 2013 Plan, however, will continue to govern the terms and conditions of all outstanding equity awards granted under the 2013 Plan.

Our standard form of award agreement under the 2013 Plan provides that options will vest 25% on the first anniversary of the vesting commencement date with the remainder vesting ratably over the next 36 months, subject to continued service through each applicable date. Under our 2013 Plan, our board of directors, or its designated committee, has the authority to grant awards with early exercise rights and to provide for accelerated vesting.

In its discretion, our board of directors, or its designated committee, may provide for acceleration of the exercisability, vesting or settlement of awards in connection with a “change in control,” as defined under our 2013 Plan, of each or any outstanding award or portion thereof and common stock acquired pursuant thereto upon such conditions, including termination of the plan participant’s service prior to, upon or following such change in control, and to such extent as our board of directors, or its designated committee, determines. In the event of a change in control, the surviving, continuing, successor or purchasing corporation or other business entity or parent thereof, as the case may be, may, without the consent of any plan participant, either assume or continue the rights and obligations under each or any award or portion thereof outstanding immediately prior to the change in control or substitute for each or any such outstanding award or portion thereof a substantially equivalent award with respect to its own stock, as applicable. Any award or portion thereof which is neither assumed nor continued by the surviving, continuing, successor, or purchasing corporation or other business entity

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or parent thereof in connection with the change in control nor exercised or settled as of the time of consummation of the change in control will terminate and cease to be outstanding effective as of the time of consummation of the change in control. Our board of directors, or its designated committee, however, will have the discretion, without the consent of any participant under the 2013 Plan, to terminate an award in exchange for cash, stock or other property.

Our 2013 Plan also provides that our board of directors, or its designated committee, may make appropriate and proportionate adjustments to the number of shares subject to outstanding awards to prevent dilution or enlargement of participants' rights in the event of changes in our capitalization through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure, or in the event of payment of a dividend or distribution to the stockholders in a form other than stock (excepting regular, periodic cash dividends).

2020 Plan

Before the closing of this offering, our board of directors will adopt, and we expect our stockholders will approve, our 2020 Plan. The 2020 Plan will be effective upon its approval by our stockholders. It is intended to make available incentives that will assist us to attract, retain and motivate employees, including officers, consultants and directors. We may provide these incentives through the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares and units and other cash-based or stock-based awards.

A total of 3,873,885 shares of our Series 1 common stock will be initially authorized and reserved for issuance under the 2020 Plan. This reserve will automatically increase on January 1, 2021, and each subsequent anniversary through and including January 1, 2031, by an amount equal to the smaller of (a) 5% of the number of shares of Series 1 and Series 2 common stock issued and outstanding on the immediately preceding December 31 and (b) an amount determined by our board of directors. In addition, this reserve will be increased to include up to 11,784,522 shares that remained available for grant under our 2013 Plan upon its termination or that are subject to awards granted under our 2013 Plan that expire or terminate without having been exercised or settled in full.

Appropriate adjustments will be made in the number of authorized shares and other numerical limits in the 2020 Plan and in outstanding awards to prevent dilution or enlargement of participants' rights in the event of a stock split or other change in our capital structure. Shares subject to awards that expire or are canceled or forfeited will again become available for issuance under the 2020 Plan. The shares available will not be reduced by awards settled in cash or by shares withheld to satisfy tax withholding obligations. The net number of shares issued upon the exercise of stock appreciation rights or stock options exercised by means of a net exercise or by tender of previously owned shares will be deducted from the shares available under the 2020 Plan.

The 2020 Plan generally will be administered by the compensation committee of our board of directors. Subject to the provisions of the 2020 Plan, the compensation committee will determine in its discretion the persons to whom and the times at which awards are granted, the sizes of such awards and all of their terms and conditions. The compensation committee will have the authority to construe and interpret the terms of the 2020 Plan and awards granted under it. The 2020 Plan provides, subject to certain limitations, for indemnification by us of any director, officer or employee against all reasonable expenses, including attorneys' fees, incurred in connection with any legal action arising from such person's action or failure to act in administering the 2020 Plan.

The 2020 Plan authorizes the compensation committee, without further stockholder approval, to provide for the cancellation of stock options or stock appreciation rights with exercise prices in excess of the fair market value of the underlying shares of common stock in exchange for new options or other equity awards with

exercise prices equal to the fair market value of the underlying common stock or a cash payment or to amend such awards to reduce the exercise price thereof to the fair market value of the common stock on the date of amendment.

Our 2020 Plan limits the grant date fair market value of all equity awards and the amount of cash compensation that may be provided to a non-employee director in any fiscal year to an aggregate of \$1,000,000 for the first year of service and \$750,000 for each year of service thereafter.

Awards may be granted under the 2020 Plan to our employees, including officers, directors, or consultants or those of any present or future parent or subsidiary corporation or other affiliated entity. All awards will be evidenced by a written agreement between us and the holder of the award and may include any of the following:

- *Stock options.* We may grant nonstatutory stock options or incentive stock options (as described in Section 422 of the Internal Revenue Code), each of which gives its holder the right, during a specified term (not exceeding ten years) and subject to any specified vesting or other conditions, to purchase a number of shares of our Series 1 common stock at an exercise price per share determined by the administrator, which may not be less than the fair market value of a share of our common stock on the date of grant.
- *Stock appreciation rights.* A stock appreciation right gives its holder the right, during a specified term (not exceeding 10 years) and subject to any specified vesting or other conditions, to receive the appreciation in the fair market value of our Series 1 common stock between the date of grant of the award and the date of its exercise. We may pay the appreciation in shares of our Series 1 common stock or in cash, except that a stock appreciation right granted in tandem with a related option is payable only in stock.
- *Restricted stock.* The administrator may grant restricted stock awards either as a bonus or as a purchase right at such price as the administrator determines. Shares of restricted stock remain subject to forfeiture until vested, based on such terms and conditions as the administrator specifies. Holders of restricted stock will have the right to vote the shares and to receive any dividends paid, except that the dividends will be subject to the same vesting conditions as the related shares.
- *Restricted stock units.* Restricted stock units represent rights to receive shares of our Series 1 common stock (or their value in cash) at a future date without payment of a purchase price (unless required under applicable state laws), subject to vesting or other conditions specified by the administrator. Holders of restricted stock units have no voting rights or rights to receive cash dividends unless and until shares of common stock are issued in settlement of such awards. However, the administrator may grant restricted stock units that entitle their holders to dividend equivalent rights subject to the same vesting conditions as the related units.
- *Performance shares and performance units.* Performance shares and performance units are awards that will result in a payment to their holder only if specified performance goals are achieved during a specified performance period. Performance share awards are rights denominated in shares of our Series 1 common stock, while performance unit awards are rights denominated in dollars. The administrator establishes the applicable performance goals based on one or more measures of business or personal performance enumerated in the 2020 Plan, such as revenue, gross margin, net income, or total stockholder return or as otherwise determined by the administrator. To the extent earned, performance share and unit awards may be settled in cash or in shares of our Series 1 common stock. Holders of performance shares or performance units have no voting rights or rights to receive cash dividends unless and until shares of Series 1 common stock are issued in settlement of such awards. However, the administrator may grant performance shares that entitle their holders to dividend equivalent rights.

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- *Cash-based awards and other stock-based awards.* The administrator may grant cash-based awards that specify a monetary payment or range of payments or other stock-based awards that specify a number or range of shares or units that, in either case, are subject to vesting or other conditions specified by the administrator. Settlement of these awards may be in cash or shares of our Series 1 common stock, as determined by the administrator. Their holder will have no voting rights or right to receive cash dividends unless and until shares of our Series 1 common stock are issued pursuant to the award. The administrator may grant dividend equivalent rights with respect to other stock-based awards.

In the event of a change in control as described in the 2020 Plan, the acquiring or successor entity may assume or continue all or any awards outstanding under the 2020 Plan or substitute substantially equivalent awards. Any awards that are not assumed or continued in connection with a change in control or are not exercised or settled prior to the change in control will terminate effective as of the time of the change in control. Our compensation committee may provide for the acceleration of vesting of any or all outstanding awards upon such terms and to such extent as it determines, except that the vesting of all awards held by members of the board of directors who are not employees will automatically be accelerated in full. The 2020 Plan will also authorize our compensation committee, in its discretion and without the consent of any participant, to cancel each or any outstanding award denominated in shares upon a change in control in exchange for a payment to the participant with respect to each share subject to the canceled award of an amount equal to the excess of the consideration to be paid per share of common stock in the change in control transaction over the exercise price per share, if any, under the award.

The 2020 Plan will continue in effect until it is terminated by the administrator; provided, however, that all awards will be granted, if at all, within 10 years of its effective date. The administrator may amend, suspend, or terminate the 2020 Plan at any time; provided that without stockholder approval, the plan cannot be amended to increase the number of shares authorized, change the class of persons eligible to receive incentive stock options, or effect any other change that would require stockholder approval under any applicable law or listing rule.

2020 ESPP

Before the completion of this offering, our board of directors will adopt, and we expect our stockholders will approve, our 2020 Employee Stock Purchase Plan, or the 2020 ESPP. We expect that our 2020 ESPP will be effective on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part.

A total of 1,936,943 shares of our Series 1 common stock are available for sale under our 2020 ESPP. In addition, our 2020 ESPP provides for annual increases in the number of shares of Series 1 common stock available for issuance under the 2020 ESPP on January 1 of each year through and including January 1, 2031, equal to the smallest of:

- 1% of the outstanding shares of our Series 1 and Series 2 common stock on the immediately preceding December 31; and
- such other amount as may be determined by our compensation committee.

Appropriate adjustments will be made in the number of authorized shares and in outstanding purchase rights to prevent dilution or enlargement of participants' rights in the event of a stock split or other change in our capital structure. Shares subject to purchase rights that expire or are canceled will again become available for issuance under the 2020 ESPP.

The compensation committee of our board of directors will administer the 2020 ESPP and have full authority to interpret the terms of the 2020 ESPP. The 2020 ESPP provides, subject to certain limitations, for indemnification by us of any director, officer, or employee against all reasonable expenses, including attorneys' fees, incurred in connection with any legal action arising from such person's action or failure to act in administering the 2020 ESPP.

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Certain of our employees, including our named executive officers, and employees of any of our subsidiaries designated by the compensation committee are eligible to participate if they are customarily employed by us or any participating subsidiary for at least 20 hours per week and more than five months in any calendar year, subject to any local law requirements applicable to participants in jurisdictions outside the United States. However, an employee may not be granted rights to purchase stock under our 2020 ESPP if such employee:

- has not been customarily employed by us or any participating subsidiary for at least six months or such other length of time designated by the compensation committee, up to two years;
- immediately after the grant would own stock or options to purchase stock possessing 5.0% or more of the total combined voting power or value of all classes of our capital stock; or
- holds rights to purchase stock under all of our employee stock purchase plans that would accrue at a rate that exceeds \$25,000 worth of our stock for each calendar year in which the right to be granted would be outstanding at any time.

Our ESPP is intended to qualify under Section 423 of the Code but also permits us to include our non-U.S. employees in offerings not intended to qualify under Section 423. The ESPP will typically be implemented through consecutive six-month offering periods. The offering periods start on the dates determined by the compensation committee. The administrator may, in its discretion, modify the terms of future offering periods, including establishing offering periods of up to 27 months and providing for multiple purchase dates. The administrator may vary certain terms and conditions of separate offerings for employees of our non-U.S. subsidiaries where required by local law or desirable to obtain intended tax or accounting treatment.

Our 2020 ESPP permits participants to purchase common stock through payroll deductions of up to 15% of their eligible compensation, which includes a participant's regular base rate of pay and excludes payments for incentive compensation, bonuses and other similar compensation.

Amounts deducted and accumulated from participant compensation, or otherwise funded in any participating non-U.S. jurisdiction in which payroll deductions are not permitted, are used to purchase shares of our common stock at the end of each offering period. The purchase price of the shares of Series 1 Common Stock will be 85.0% of the average of the fair market value of our common stock on the first trading day of the offering period and on the last day of the offering period. Participants may end their participation at any time during an offering period and will be paid their accrued payroll deductions that have not yet been used to purchase shares of Series 1 common stock. Participation ends automatically upon termination of employment with us.

Each participant in any offering will have an option to purchase for each full month contained in the offering period a number of shares determined by dividing \$2,083.33 by the fair market value of a share of our Series 1 common stock on the first day of the offering period, except as limited in order to comply with Section 423 of the Code. Prior to the beginning of any offering period, the administrator may alter the maximum number of shares that may be purchased by any participant during the offering period or specify a maximum aggregate number of shares that may be purchased by all participants in the offering period. If insufficient shares remain available under the plan to permit all participants to purchase the number of shares to which they would otherwise be entitled, the administrator will make a pro rata allocation of the available shares. Any amounts withheld from participants' compensation in excess of the amounts used to purchase shares will be refunded, without interest.

A participant may not transfer rights granted under the ESPP other than by will, the laws of descent and distribution, or as otherwise provided under the ESPP.

In the event of a change in control, an acquiring or successor corporation may assume our rights and obligations under outstanding purchase rights or substitute substantially equivalent purchase rights. If the acquiring or successor corporation does not assume or substitute for outstanding purchase rights, then the purchase date of the offering periods then in progress will be accelerated to a date prior to the change in control.

Our 2020 ESPP will continue in effect until terminated by the administrator. The compensation committee has the authority to amend, suspend, or terminate our 2020 ESPP at any time.

Limitation of liability and indemnification

Our amended and restated certificate of incorporation, which will become effective immediately prior to the closing of this offering, limits the personal liability of directors for breach of fiduciary duty to the maximum extent permitted by the Delaware General Corporation Law (“DGCL”) and provides that no director will have personal liability to us or to our stockholders for monetary damages for breach of fiduciary duty or other duty as a director. However, these provisions do not eliminate or limit the liability of any of our directors:

- for any breach of the director’s duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- for voting or assenting to unlawful payments of dividends, stock repurchases or other distributions; or
- for any transaction from which the director derived an improper personal benefit.

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

In addition, our amended and restated certificate of incorporation, which will become effective immediately prior to the closing of this offering, provides that we must indemnify our directors and officers and we must advance expenses, including attorneys’ fees, to our directors and officers in connection with legal proceedings, subject to very limited exceptions.

We maintain a general liability insurance policy that covers certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers. In addition, we have entered into indemnification agreements with each of our directors and executive officers. These indemnification agreements may require us, among other things, to indemnify each such director or executive officer for some expenses, including attorneys’ fees, judgments, fines, and settlement amounts incurred by him in any action or proceeding arising out of his service as one of our directors or executive officers.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/ or indemnified against certain liabilities incurred in their capacity as members of our board of directors. We have agreed that we will be the indemnitor of “first resort,” however, with respect to any claims against these directors for indemnification claims that are indemnifiable by both us and their employers. Accordingly, to the extent that indemnification is permissible under applicable law, we will have full liability for such claims (including for the advancement of any expenses) and we have waived all related rights of contribution, subrogation, or other recovery that we might otherwise have against these directors’ employers.

Rule 10b5-1 sales plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our capital stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from them. The director or officer may amend or terminate the plan in some circumstances. Our directors and executive officers may also buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

Certain Relationships and Related Party Transactions

Below we describe transactions since January 1, 2017 to which we were or will be a participant and in which (i) the amounts involved exceeded or will exceed \$120,000 and (ii) any of our directors, executive officers or holders of more than 5% of our voting securities, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest, other than compensation arrangements which are described under “Executive and Director Compensation.”

Series F preferred stock financings

On April 19, 2018, we completed the sale of an aggregate of 23,628,441 shares of our Series F preferred stock at a purchase price of \$2.7086 per share for an aggregate purchase price of \$63,999,995.29. Each share of our Series F preferred stock will convert into shares of our Series 1 common stock or Series 2 common stock (in the case of holders subject to certain requirements under the Bank Holding Company Act of 1956, as amended) immediately prior to the closing of this offering, including adjustments in connection with the 1-for-3 reverse stock split of our common stock effected on July 24, 2020. Upon conversion, holders of the Series F preferred stock will be entitled to the Series F Dividend, paid in either cash or shares of Series 2 common stock, which we intend to pay in cash. As a result of the anticipated payment of the Series F Dividend, holders of our Series F preferred stock are expected to receive approximately \$16.4 million of the net proceeds of this offering, including entities affiliated with General Catalyst Group and Lawrence Bohn, a member of our board of directors, and entities affiliated with GGV Capital and Jeff Richards, a member of our board of directors, which are expected to receive approximately \$0.1 million and \$0.3 million, respectively. The following table summarizes the purchase of shares of our Series F preferred stock by holders of more than 5% of our voting stock and entities affiliated with a member of the board of directors.

Name of Stockholder ⁽¹⁾	Shares of Series F	
	Preferred Stock	Purchase Price
Entities affiliated with General Catalyst Group ⁽²⁾	184,597	\$499,999.44
Entities affiliated with GGV Capital ⁽³⁾	369,193	\$999,996.16

- (1) Additional details regarding these stockholders and their equity holdings are provided in this prospectus under “Principal Stockholders.”
- (2) Lawrence Bohn, a member of our board of directors, is affiliated with General Catalyst GP IV, L.P. and General Catalyst GP V, L.P. (collectively with their affiliates, “General Catalyst Group”).
- (3) Jeff Richards, a member of our board of directors, is affiliated with GGV Capital V L.P. (“GGV Capital”).

Investor Rights Agreement

We have entered into a fourth amended and restated investor rights agreement (the “Investor Rights Agreement”) with certain of our stockholders, including individuals and entities affiliated with Revolution Growth II, LP (“Revolution Growth”), General Catalyst Group, Softbank Princeville Investments, L.P. (“Softbank”), and GGV Capital. The Investor Rights Agreement, among other things, grants stockholders (i) certain registration rights with respect to shares of our common stock, including shares of common stock issuable upon the conversion of our preferred stock, (ii) board observer rights to certain investors upon certain ownership thresholds, and (iii) a right of first offer with respect to sales of our equity securities by us, subject to specified exceptions.

For more information regarding the registration rights provided by the Investor Rights Agreement, please refer to “Shares Eligible for Future Sale—Registration rights.” The provisions of this agreement will terminate upon the closing of this offering except with respect to the registration rights. This is not a complete summary of the Investor Rights Agreement. This summary is qualified by the full text of the Investor Rights Agreement, filed as an exhibit to the registration statement of which this prospectus forms a part.

Voting Agreement

We have entered into a fourth amended and restated voting agreement (the “Voting Agreement”) with certain of our stockholders, including individuals and entities affiliated with Revolution Growth, General Catalyst Group, Softbank, and GGV Capital. The Voting Agreement, among other things, provides for (i) the voting of shares with respect to the constituency of the board of directors and (ii) the voting of shares with respect to certain transactions approved by a majority of the holders of outstanding preferred stock.

This agreement will terminate upon the closing of this offering. This summary is qualified by the full text of the Voting Agreement, filed as an exhibit to the registration statement of which this prospectus forms a part.

Right of First Refusal and Co-Sale Agreement

We have entered into a fourth amended and restated right of first refusal and co-sale agreement (the “ROFR Agreement”) with certain of our stockholders, including individuals and entities affiliated with Revolution Growth, General Catalyst Group, Softbank, and GGV Capital. The ROFR Agreement, among other things, grants (i) certain investors rights of first refusal and co-sale with respect to proposed transfers of our securities by certain stockholders, and (ii) certain rights of first refusal with respect to proposed transfers of our securities by certain stockholders.

This agreement will terminate upon the closing of this offering. This summary is qualified by the full text of the ROFR Agreement, filed as an exhibit to the registration statement of which this prospectus forms a part.

Indemnification agreements

We intend to enter into indemnification agreements with each of our directors and executive officers in connection with this offering. These agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We also intend to enter into indemnification agreements with our future directors and executive officers.

There is no pending litigation or proceeding naming any of our directors or officers to which indemnification is being sought, and we are not aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

Policies and procedures for related party transactions

Our board of directors has approved a related-party transaction policy, effective upon the closing of this offering, setting forth the policies and procedures for the review and approval or ratification of transactions involving us and “related persons.” For the purposes of this policy, “related persons” will include our executive officers, directors and director nominees or their immediate family members, or stockholders owning five percent or more of our outstanding common stock and their immediate family members.

The policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, where the amount involved exceeds \$120,000 and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or 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. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm’s length transaction with an unrelated party and the extent of the related person’s interest in the transaction. All

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related-party transactions may only be consummated if our audit committee has approved or ratified such transaction in accordance with the guidelines set forth in the policy. Any member of the audit committee who is a related person with respect to a transaction under review will not be permitted to participate in the deliberations or vote respecting approval or ratification of the transaction. However, such director may be counted in determining the presence of a quorum at a meeting of the audit committee that considers the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

Principal Stockholders

The following table and footnotes below sets forth information regarding the beneficial ownership of shares of our Series 1 common stock as of June 30, 2020 for:

- each person known by us to beneficially own more than 5% of our Series 1 common stock;
- each of the directors and named executive officers individually; and
- all of our directors and executive officers as a group.

The number of shares beneficially owned by each stockholder is determined under rules of the SEC and includes voting or investment power with respect to securities. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting power or investment power. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of Series 1 common stock subject to options, warrants or other rights held by such person that are currently exercisable or will become exercisable within 60 days after June 30, 2020 are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person.

We have based our calculation of the percentage of beneficial ownership prior to this offering on 54,311,620 shares of Series 1 common stock outstanding as of June 30, 2020. We have based our calculation of the percentage of beneficial ownership after this offering on the sale of 6,850,000 shares of Series 1 common stock in this offering, assuming no exercise of the underwriters' option to purchase additional shares and excluding any potential purchases in this offering by the persons and entities named in the table below.

Except as otherwise indicated in the footnotes below, the address of each beneficial owner is c/o BigCommerce Holdings, Inc., 11305 Four Points Drive, Building II, Third Floor, Austin, Texas 78726.

Name of beneficial owner	Number of shares beneficially owned	Percentage of Shares Beneficially Owned	
		Before offering	After offering
5% Stockholders			
Wadih Machaalani	6,459,675	11.9%	10.6%
Mitchell Harper	6,459,675	11.9%	10.6%
Revolution Growth(1)	6,499,756	12.0%	10.6%
General Catalyst Group(2)	9,463,378	17.4%	15.5%
GVV Capital(3)	2,808,161	5.2%	4.6%
SVB Financial Group(4)	2,734,452	5.0%	4.5%
Entities affiliated with WestRiver Group(5)	2,819,695	5.2%	4.6%
Named Executive Officers and Directors			
Brent Bellm(6)	2,977,793	5.4%	4.8%
Lisa Pearson(7)	341,028	*	*
Brian Dhatt(8)	493,889	*	*
Lawrence Bohn(9)	9,463,378	17.4%	15.5%
Donald E. Clarke(10)	146,666	*	*
John T. McDonald(11)	73,333	*	*
Steven Murray(12)	8,792,064	16.2%	14.4%
Jeff Richards(13)	2,808,161	5.2%	4.6%
Ellen F. Siminoff(14)	73,333	*	*
All executive officers and directors together as a group (16 persons)(15)	28,038,391	47.9%	42.9%

* Represents beneficial ownership of less than 1%.

(1) Steven Murray, a member of our board of directors, is the operating manager of Revolution Growth UGP II, LLC, the general partner of Revolution Growth GP II, LP, which is the general partner of Revolution Growth II, LP ("Revolution Growth"). Revolution Growth UGP II, LLC, Revolution Growth GP II, LP and Mr. Murray may be deemed to have voting and dispositive power with respect to these shares. The business address of these accounts is 1717 Rhode Island Avenue, NW, 10th Floor, Washington, D.C. 20036.

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- (2) Represents 4,239,160 shares of Series 1 common stock owned by General Catalyst Group IV, L.P. (“GCG IV”), 167,936 shares of Series 1 common stock owned by GC Entrepreneurs Fund IV, L.P. (“GCE IV”), 1,944,562 shares of Series 1 common stock owned by General Catalyst Group V, L.P. (“GCG V”), 45,674 shares of Series 1 common stock owned by GC Entrepreneurs Fund V, L.P. (“GCE V”), and 3,066,046 shares of Series 1 common stock owned by General Catalyst Group V Supplemental, L.P. (“GCG V S”). General Catalyst GP IV, LLC (“GCGP IV”) is the general partner of General Catalyst Partners IV, L.P., which is the general partner of GCG IV and GCE IV, and General Catalyst GP V, LLC (“GCGP V”) is the general partner of General Catalyst Partners V, L.P., which is the general partner of GCG V, GCE V and GCG V S. Lawrence Bohn, a member of our board of directors, Joel Cutler, and David Fialkow are managing directors of GCGP IV and GCGP V, and, as a result, may be deemed to have voting and dispositive power over the shares held by GCG IV, GCE IV, GCG V, GCE V, and GCG V S. The address for General Catalyst is 20 University Road, Suite 450, Cambridge, MA 02138.
- (3) Represents 2,708,751 shares held by GGV Capital V L.P. and 99,410 shares held by GGV Capital V Entrepreneurs Fund L.P. GGV Capital V L.L.C. is the general partner of GGV Capital V L.P. and GGV Capital V Entrepreneurs Fund L.P. Jeff Richards, a member of our board of directors, is the managing director of GGV Capital V L.L.C., and, as a result, may be deemed to have voting and dispositive power over the shares held by GGV Capital V L.P. and GGV Capital V Entrepreneurs Fund L.P. The address for GGV Capital is 3000 Sand Hill Road, Building 4, Suite 230, Menlo Park, CA 94025.
- (4) Includes 109,685 shares of Series 1 common stock issuable upon the exercise of outstanding warrants. The principal executive office for SVB Financial Group is 3003 Tasman Drive, Santa Clara, CA 95054-1191.
- (5) Represents 1,089,680 shares of Series 1 common stock owned by WestRiver Mezzanine Loans - Loan Pool V, LLC, 1,535,087 shares of Series 1 common stock owned by WestRiver Innovation Lending Fund VIII, LP, including 49,782 shares of Series 1 common stock issuable upon the exercise of outstanding warrants, and 145,146 shares of Series 1 common stock issuable upon the exercise of outstanding warrants held by WestRiver Mezzanine Loans, LLC. The principal executive office for each of WestRiver Mezzanine Loans - Loan Pool V, LLC, WestRiver Innovation Lending Fund VIII, LP, and WestRiver Mezzanine Loans, LLC is 920 5th Avenue, Suite 3450, Seattle, WA 98104.
- (6) Includes 900,000 shares of Series 1 common stock issuable upon the exercise of options exercisable within 60 days of June 30, 2020, 506,250 of which options may be purchased upon early exercise of such options but remain subject to further vesting.
- (7) Consists of 341,028 shares of Series 1 common stock issuable upon the exercise of options exercisable within 60 days of June 30, 2020, 170,701 of which options may be purchased upon early exercise of such options but remain subject to further vesting.
- (8) Consists of 493,889 shares of Series 1 common stock issuable upon the exercise of options exercisable within 60 days of June 30, 2020, 97,970 of which options may be purchased upon early exercise of such options but remain subject to further vesting.
- (9) Consists of the shares described in footnote (2) above. Mr. Bohn may be deemed to share beneficial ownership of the shares held by General Catalyst. The address for Mr. Bohn is 20 University Road, Suite 450, Cambridge, MA 02138.
- (10) Consists of 146,666 shares of Series 1 common stock issuable upon the exercise of options exercisable within 60 days of June 30, 2020, 9,166 of which options may be purchased upon early exercise of such options but remain subject to further vesting.
- (11) Consists of 73,333 shares of Series 1 common stock issuable upon the exercise of options exercisable within 60 days of June 30, 2020, 36,666 of which options may be purchased upon early exercise of such options but remain subject to further vesting.
- (12) Consists of the shares described in footnote (1), with respect to which Mr. Murray may be deemed to share beneficial ownership, and 2,292,308 shares of Series 1 common stock owned by Softbank Princeville Investments, L.P. (“Softbank”). SB PV GP LP and SB PV GP LLC are the general partners of Softbank. Mr. Murray is the managing member of SB PV GP LP and SB PV GP LLC, and, as a result, may be deemed to have voting and dispositive power over the shares held by Softbank. The address for Softbank is 38 Glen Avenue, Newton, MA 02459. The address for Mr. Murray is 1717 Rhode Island Avenue, NW, 10th Floor, Washington, D.C. 20036.
- (13) Consists of the shares described in footnote (3) above. Mr. Richards may be deemed to share beneficial ownership of the shares held by GGV Capital. The address for Mr. Richards is 3000 Sand Hill Road, Building 4, Suite 230, Menlo Park, CA 94025.
- (14) Includes 55,000 shares of Series 1 common stock which are subject to vesting conditions that will not vest within 60 days of June 30, 2020.
- (15) Includes 4,231,916 shares of Series 1 common stock issuable upon the exercise of options exercisable within 60 days of June 30, 2020, 1,514,404 of which options may be purchased upon early exercise of such options but remain subject to further vesting, and 55,000 shares of Series 1 common stock which are subject to vesting conditions that will not vest within 60 days of June 30, 2020.

Description of Capital Stock

In connection with this offering, we will amend and restate our certificate of incorporation and our bylaws. The following is a description of the material terms of, and is qualified in its entirety by, our amended and restated certificate of incorporation and amended and restated bylaws, each of which will be in effect immediately prior to the closing of this offering, the forms of which will be filed as exhibits to the registration statement of which this prospectus forms a part. Because this is only a summary, it may not contain all the information that is important to you.

General

Immediately prior to the closing of this offering, our authorized capital stock will consist of 500,000,000 shares of Series 1 common stock, par value \$0.0001 per share, 5,050,555 shares of Series 2 common stock, par value \$0.0001 per share, and 10,000,000 shares of preferred stock, par value \$0.0001 per share. Unless our board of directors determines otherwise, we will issue all shares of our capital stock in uncertificated form.

Common stock

As of March 31, 2020, there were 53,942,991 shares of our voting common stock (“Series 1 common stock”) and 5,050,555 shares of our non-voting common stock (“Series 2 common stock”) outstanding that were held of record by approximately 550 stockholders, assuming the conversion of our preferred stock into shares of common stock and conversion of our outstanding indebtedness. There will be 60,792,991 shares of Series 1 common stock outstanding after giving effect to the sale of shares of Series 1 common stock offered by this prospectus.

Holders of shares of our Series 1 common stock are entitled to one vote for each share held of record on all matters on which stockholders are entitled to vote generally, including the election or removal of directors elected by our stockholders generally. The holders of our Series 1 common stock do not have cumulative voting rights in the election of directors. Holders of shares of our Series 2 common stock are not entitled to vote on any matters on which stockholders are entitled to vote generally, including the election or removal of directors elected by our stockholders. Accordingly, holders of a majority of our Series 1 common stock entitled to vote at an election of directors may elect all of the directors standing for election.

Subject to preferences that may be applicable to any preferred stock outstanding at the time, holders of shares of our Series 1 common stock and Series 2 common stock are entitled to receive dividends ratably when, as and if declared by our board of directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends. See “Dividend Policy.”

Upon our liquidation, dissolution, or winding up and after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of shares of our Series 1 common stock and Series 2 common stock will be entitled to receive pro rata our remaining assets available for distribution.

All shares of our Series 1 common stock and Series 2 common stock that will be outstanding at the time of the consummation of the offering will be fully paid and non-assessable. The Series 1 common stock and Series 2 common stock will not be subject to further calls or assessments by us. Holders of shares of our Series 1 common stock do not have preemptive, subscription, redemption, or conversion rights. Holders of shares of our Series 2 common stock do not have preemptive, subscription, or redemption rights. Shares of Series 2 common stock may be converted into an equal number of shares of Series 1 common stock only upon certain transfers. There will be no redemption or sinking fund provisions applicable to the Series 1 common stock or Series 2 common stock. The rights powers, preferences, and privileges of our Series 1 common stock and Series 2 common stock will be subject to those of the holders of any shares of our preferred stock or any other series or class of stock we may authorize and issue in the future.

Preferred stock

No shares of preferred stock will be issued or outstanding immediately after the offering contemplated by this prospectus. Our amended and restated certificate of incorporation authorizes our board of directors to establish one or more series of preferred stock (including convertible preferred stock). Unless required by law or any stock exchange, the authorized shares of preferred stock will be available for issuance without further action by the holders of our common stock. Our board of directors is able to determine, with respect to any series of preferred stock, the powers (including voting powers), preferences and relative, participating, optional or other special rights, and the qualifications, limitations, or restrictions thereof, including:

- the designation of the series;
- the number of shares of the series, which our board of directors may, except where otherwise provided in the preferred stock designation, increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares then outstanding);
- whether dividends, if any, will be cumulative or non-cumulative and the dividend rate of the series;
- the dates at which dividends, if any, will be payable;
- the redemption or repurchase rights and price or prices, if any, for shares of the series;
- the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series;
- the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of our affairs;
- whether the shares of the series will be convertible into shares of any other class or series, or any other security, of us or any other entity, and, if so, the specification of the other class or series or other security, the conversion price or prices or rate or rates, any rate adjustments, the date or dates as of which the shares will be convertible and all other terms and conditions upon which the conversion may be made;
- restrictions on the issuance of shares of the same series or of any other class or series; and
- the voting rights, if any, of the holders of the series.

We could issue a series of preferred stock that could, depending on the terms of the series, impede or discourage an acquisition attempt or other transaction that some, or a majority, of the holders of our common stock might believe to be in their best interests or in which the holders of our common stock might receive a premium over the market price of the shares of our common stock. Additionally, the issuance of preferred stock may adversely affect the rights of holders of our common stock by restricting dividends on the common stock, diluting the voting power of the common stock, or subordinating the liquidation rights of the common stock. As a result of these or other factors, the issuance of preferred stock could have an adverse impact on the market price of our common stock.

Registration rights

Our Investor Rights Agreement provides certain holders the right, beginning 180 days following the date of this prospectus, to demand that we file a registration statement or request that their shares be included in a registration statement that we are otherwise filing. See “Shares Eligible for Future Sale—Registration rights” for

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additional information regarding these registration rights. Pursuant to the Investor Rights Agreement, we are required to pay all registration expenses and indemnify these holders with respect to each registration of registrable shares that is effected.

Annual stockholder meetings

Our amended and restated bylaws provide that annual stockholder meetings will be held at a date, time and place, if any, as exclusively selected by our board of directors. To the extent permitted under applicable law, we may conduct meetings by remote communications, including by webcast.

Anti-takeover effects of our amended and restated certificate of incorporation and amended and restated bylaws and certain provisions of Delaware law

Our amended and restated certificate of incorporation and amended and restated bylaws will contain, and the DGCL contains, provisions that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile or abusive change of control, and enhance the ability of our board of directors to maximize stockholder value in connection with any unsolicited offer to acquire us. However, these provisions may have an antitakeover effect and may delay, deter, or prevent a merger or acquisition by means of a tender offer, a proxy contest, or other takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the prevailing market price for the shares of common stock held by stockholders.

Authorized but unissued capital stock

The authorized but unissued shares of common stock and preferred stock are available for future issuance without stockholder approval, subject to any limitations imposed by the listing standards of Nasdaq. These additional shares may be used for a variety of corporate finance transactions, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could make more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger, or otherwise.

Classified board of directors

Our amended and restated certificate of incorporation will provide that our board of directors will be divided into three classes, with the classes as nearly equal in number as possible and each class serving three-year staggered terms. Directors may only be removed from our board of directors for cause by the affirmative vote of at least $\frac{66\frac{2}{3}}{100}$ of the voting power of all of our then outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class. In addition, our amended and restated certificate of incorporation will also provide that, subject to the rights granted to one or more series of preferred stock then outstanding, any newly created directorship on the board of directors that results from an increase in the number of directors and any vacancies on our board of directors will be filled only by the affirmative vote of a majority of the remaining directors, even if less than a quorum, or by a sole remaining director. See “Management—Composition of the board of directors.” These provisions may have the effect of deferring, delaying, or discouraging hostile takeovers, or changes in control of us or our management.

Business combinations

We intend to opt out of Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in any “business combination” with any “interested stockholder” for a period of three years after the date that such stockholder became an interested stockholder, subject to certain exceptions; however, our amended and restated certificate of incorporation contains similar provisions providing that we may not engage in certain business

combinations with any interested stockholder for a three-year period following the time that the stockholder became an interested stockholder, unless:

- prior to such time, our board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our board of directors and by the affirmative vote of holders of at least 66 $\frac{2}{3}$ % of our outstanding voting stock that is not owned by the interested stockholder.

Generally, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an “interested stockholder” is a person who, together with that person’s affiliates and associates, owns, or within the previous three years owned, 15% or more of our outstanding voting stock. For purposes of this section only, “voting stock” has the meaning given to it in Section 203 of the DGCL.

Under certain circumstances, this provision will make it more difficult for a person who would be an “interested stockholder” to effect various business combinations with us for a three-year period. This provision may encourage companies interested in acquiring us to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if our board of directors approves either the business combination or the transaction that results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our board of directors and may make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

No cumulative voting

Under Delaware law, the right to vote cumulatively does not exist unless the certificate of incorporation specifically authorizes cumulative voting. Our amended and restated certificate of incorporation does not authorize cumulative voting. Therefore, stockholders holding a majority of the shares of our stock entitled to vote generally in the election of directors will be able to elect all of our directors.

Special stockholder meetings

Our amended and restated certificate of incorporation will provide that special meetings of our stockholders may be called at any time only by or at the direction of a majority of the total number of directors that we would have if there were no vacancies, the chairman of the board of directors, or our chief executive officer. Our amended and restated bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. These provisions may have the effect of deferring, delaying, or discouraging hostile takeovers or changes in control or management.

Director nominations and stockholder proposals

Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors. In order for any matter to be “properly brought” before a meeting, a stockholder will have to comply with advance notice requirements and provide us with certain information. Generally, to be timely, a stockholder’s notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the immediately preceding annual meeting of stockholders. Our amended and restated bylaws also specify requirements as to the

form and content of a stockholder's notice. Our amended and restated bylaws allow the chairman of the meeting at a meeting of the stockholders to adopt rules and regulations for the conduct of meetings that may have the effect of precluding the conduct of certain business at a meeting if the rules and regulations are not followed. These provisions may also defer, delay, or discourage a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to influence or obtain control.

Stockholder action by written consent

Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice, and without a vote if a consent or consents in writing, setting forth the action so taken, is or are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our amended and restated certificate of incorporation will provide otherwise. Our amended and restated certificate of incorporation will preclude stockholder action by written consent.

Amendment of amended and restated certificate of incorporation or bylaws

The DGCL provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or bylaws, unless a corporation's certificate of incorporation or bylaws, as the case may be, requires a greater percentage. Upon the closing of this offering, our bylaws may be amended or repealed by a majority vote of our board of directors or by the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % of the votes which all our stockholders would be entitled to cast in any annual election of directors. In addition, the affirmative vote of the holders of at least 66 $\frac{2}{3}$ % of the votes which all our stockholders would be entitled to cast in any election of directors will be required to amend or repeal or to adopt any provisions inconsistent with any of the provisions of our certificate of incorporation described above.

The foregoing provisions of our amended and restated certificate of incorporation and bylaws could discourage potential acquisition proposals and could delay or prevent a change in control. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and in the policies formulated by our board of directors and to discourage certain types of transactions that may involve an actual or threatened change of control. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares of common stock that could result from actual or rumored takeover attempts. Such provisions also may have the effect of preventing changes in our management or delaying or preventing a transaction that might benefit you or other minority stockholders.

Exclusive forum

Our amended and restated certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware be the sole and exclusive forum for: (1) any derivative action or proceeding brought on behalf of our company, (2) any action asserting a claim of breach of fiduciary duty owed by any director (including any director serving as a member of the Executive Committee), officer, agent, or other employee or stockholder of our company to us or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law ("DGCL"), the amended and restated certificate of incorporation or our bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (4) any action asserting a claim governed by the internal affairs doctrine, in each case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. It will further provide that, unless we consent in writing to the

selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolutions of any complaint asserting a cause of action arising under the Securities Act. The exclusive forum clauses described above shall not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Although we believe these provisions benefit us by providing increased consistency in the application of applicable law in the types of lawsuits to which they apply, the provisions may have the effect of discouraging lawsuits against our directors and officers. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings and there is uncertainty as to whether a court would enforce such provisions. In addition, investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. It is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in such action. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation.

Limitations of liability and indemnification

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. Our amended and restated certificate of incorporation includes a provision that eliminates the personal liability of directors for monetary damages to the corporation or its stockholders for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions is to eliminate the rights of us and our stockholders, through stockholders' derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation does not apply to any breaches of the director's duty of loyalty, any acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law, any authorization of dividends or stock redemptions or repurchases paid or made in violation of the DGCL, or for any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation and amended and restated bylaws generally provide that we must indemnify and advance expenses to our directors and officers to the fullest extent authorized by the DGCL. We also are expressly authorized to carry directors' and officers' liability insurance providing indemnification for our directors, officers and certain employees for some liabilities. We believe these indemnification and advancement provisions and insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability, indemnification and advancement provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. In addition, your investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought.

We intend to enter into an indemnification agreement with each of our directors and executive officers as described in "Certain Relationships and Related Person Transactions—Indemnification agreements." Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors or executive officers, we have been informed that in the opinion of the SEC such indemnification is against public policy and is therefore unenforceable.

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Transfer agent and registrar

The transfer agent and registrar for shares of our common stock will be American Stock Transfer & Trust Company, LLC.

Listing

We have applied to list our common stock on the Nasdaq Global Market under the symbol “BIGC.”

U.S. Federal Income Tax Considerations for Non-U.S. Holders

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our Series 1 common stock by a Non-U.S. Holder (as defined below) that holds our Series 1 common stock as a capital asset (generally, property held for investment). This discussion is based on the Code, Treasury Department regulations promulgated thereunder (“Regulations”), judicial decisions, administrative pronouncements and other relevant applicable authorities, all as currently in effect as of the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect). No ruling has been or will be sought from the Internal Revenue Service (the “IRS”), with respect to the matters discussed below, and there can be no assurance the IRS will not take a contrary position regarding the tax consequences of the acquisition, ownership or disposition of our Series 1 common stock. In either case, the tax considerations of owning or disposing of our Series 1 common stock could differ from those described below.

This discussion does not address all U.S. federal income tax considerations that may be applicable to Non-U.S. Holders in light of their particular circumstances or Non-U.S. Holders subject to special treatment under U.S. federal income tax law, such as:

- banks, insurance companies, and other financial institutions;
- brokers, dealers, or traders in securities, commodities, or currencies;
- certain former citizens or residents of the United States;
- persons that elect to mark their securities to market;
- persons holding our Series 1 common stock as part of a straddle, hedge, conversion, or other integrated transaction;
- persons who acquired shares of our Series 1 common stock as compensation or otherwise in connection with the performance of services;
- controlled foreign corporations;
- passive foreign investment companies;
- corporations that accumulate earnings to avoid U.S. federal income tax;
- tax-qualified retirement plans; and
- tax-exempt organizations and governmental organizations.

In addition, this discussion does not address any U.S. state or local or non-U.S. tax considerations or any U.S. federal estate, gift, alternative minimum tax, or Medicare contribution tax considerations. Non-U.S. Holders should consult their tax advisors regarding the particular tax considerations to them of owning and disposing of our Series 1 common stock.

For purposes of this discussion, a “Non-U.S. Holder” is a beneficial owner of our Series 1 common stock that is not for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

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- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (i) the administration of which is subject to the primary supervision of a court within the United States and for which one or more U.S. persons have the authority to control all substantial decisions, or (ii) that has otherwise validly elected to be treated as a U.S. person under the applicable Regulations.

If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) holds our Series 1 common stock, the tax treatment of a partner or beneficial owner of the entity will generally depend on the status of the owner and the activities of the entity. Partners in a partnership (or beneficial owners of another entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) should consult their tax advisors regarding the tax considerations of an investment in our Series 1 common stock.

INVESTORS CONSIDERING THE PURCHASE OF SERIES 1 COMMON STOCK SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME AND ESTATE TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE CONSEQUENCES OF OTHER U.S. FEDERAL, FOREIGN, STATE OR LOCAL LAWS AND ANY APPLICABLE TAX TREATIES.

Distributions on our Series 1 common stock

As discussed under “Dividend Policy” above, we do not currently anticipate paying cash dividends to our Series 1 common stockholders. In the event that we do make distributions of cash or property (other than certain stock distributions) with respect to our Series 1 common stock (or that we engage in certain redemptions that are treated as distributions with respect to Series 1 common stock), any such distributions generally will be treated as dividends to the extent paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). If a distribution exceeds our current and accumulated earnings and profits (as determined under U.S. federal income tax principles), the excess will be treated first as a tax-free return of capital to the extent of a Non-U.S. Holder’s adjusted tax basis in our Series 1 common stock and thereafter as capital gain from the deemed sale, exchange or other taxable disposition of our Series 1 common stock, with the tax treatment described below in “—Sale, exchange or other disposition of our Series 1 common stock.”

Subject to the discussions below regarding effectively connected income and under “—Foreign account tax compliance act withholding taxes,” distributions treated as dividends paid on our Series 1 common stock to a Non-U.S. Holder will generally be subject to U.S. federal withholding tax at a 30% rate, unless the Non-U.S. Holder is entitled to a reduced rate under an applicable income tax treaty. To obtain a reduced rate of withholding under an applicable income tax treaty, a Non-U.S. Holder will generally be required to (1) provide a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or any applicable successor or replacement forms), as applicable, certifying that it is not a U.S. person as defined under the Code and that it is entitled to benefits under the treaty or (2) if such Non-U.S. Holder’s Series 1 common stock is held through certain foreign intermediaries or foreign partnerships, satisfy the relevant certification requirements of applicable Regulations. A Non-U.S. Holder eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Subject to the discussion below under “—Foreign account tax compliance act withholding taxes,” no amounts in respect of U.S. federal withholding tax will be withheld from dividends paid to a Non-U.S. Holder if the dividends are effectively connected with such Non-U.S. Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) and the Non-U.S. Holder provides a properly executed IRS Form W-8ECI, or other applicable successor or replacement form before payment of any distributions. Instead, the effectively connected dividends will generally be subject to regular U.S. income tax on a net income basis as if the Non-U.S. Holder were a U.S. person as defined under the Code. A Non-U.S. Holder that is treated as a corporation for U.S. federal income tax purposes receiving effectively connected dividends may also be

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subject to an additional “branch profits tax” imposed at a rate of 30% (or a lower treaty rate) on its effectively connected earnings and profits (subject to certain adjustments).

A Non-U.S. Holder who provides us with an IRS Form W-8BEN, IRS Form W-8BEN-E, IRS Form W-8ECI or other applicable successor form will be required to periodically update such form.

Sale, exchange, or other disposition of our Series 1 common stock

Subject to the discussion below under “—Information reporting and backup withholding,” a Non-U.S. Holder will generally not be subject to U.S. federal income tax on gain realized on a sale, exchange or other disposition of our Series 1 common stock unless:

- such gain is effectively connected with a trade or business conducted by such Non-U.S. Holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States), in which case such gain will generally be subject to U.S. federal income tax in the same manner as effectively connected dividend income as described above;
- such Non-U.S. Holder is an individual present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met, in which case such gain will generally be subject to U.S. federal income tax at a rate of 30% (or a lower treaty rate), which gain may be offset by certain U.S.-source capital losses even though the individual is not considered a resident of the United States; or
- we are or become a United States real property holding corporation (as defined in section 897(c) of the Code, a “USRPHC”), at any time within the shorter of the five-year period preceding the disposition or the Non-U.S. Holder’s holding period.

Determining whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our foreign real property interests. Although there can be no assurances in this regard, we believe we are not a USRPHC and we do not anticipate becoming a USRPHC for U.S. federal income tax purposes. If we become a USRPHC after this offering, so long as our Series 1 common stock is regularly traded on an established securities market and continues to be so traded, a Non-U.S. Holder will not be subject to U.S. federal income tax on gain recognized from the sale, exchange or other disposition of shares of our Series 1 common stock as a result of such status unless (1) such holder actually or constructively owned more than 5% of our Series 1 common stock at any time during the shorter of (A) the five-year period preceding the disposition, or (B) the holder’s holding period for our Series 1 common stock, and (2) we were a USRPHC at any time during such period when the more than 5% ownership test was met. If any gain on your disposition is taxable because we are a USRPHC and your ownership of our Series 1 common stock exceeds 5%, you will be taxed on such disposition generally in the manner applicable to U.S. persons. Any such Non-U.S. Holder that owns or has owned, actually or constructively, more than 5% of our Series 1 common stock is urged to consult that holder’s own tax advisor with respect to the particular tax consequences to such holder for the gain from the sale, exchange, or other disposition of shares of our Series 1 common stock if we were to be or to become a USRPHC.

Information reporting and backup withholding

Generally, we must report annually to the IRS the amount of dividends paid, the name and address of the recipient, and the amount, if any, of tax withheld. A similar report is sent to the holder. Under tax treaties or other agreements, the IRS may make its reports available to tax authorities in the Non-U.S. Holder’s country of residence.

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Information reporting and, in certain circumstances, backup withholding will apply to the payment of dividends and proceeds of a sale or other disposition of our Series 1 common stock made within the United States or conducted through certain United States-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a Non-U.S. Holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code), or such owner otherwise establishes an exemption by properly certifying its Non-U.S. Holder status on an IRS Form W-8BEN, W-8BEN-E, or other applicable or successor form.

Backup withholding is not an additional tax. Rather, the U.S. income tax liability (if any) of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is timely furnished to the IRS.

Foreign Account Tax Compliance Act withholding taxes

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such sections commonly referred to as the Foreign Account Tax Compliance Act or “FATCA”) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. FATCA may require withholding at a rate of 30% on dividends in respect of our Series 1 common stock held by or through certain “foreign financial institutions” or a “non-financial foreign entity” (each as defined in the Code), unless such institution (i) enters into, and complies with, an agreement with the Treasury Department to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution to the extent such interests or accounts are held by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments or (ii) complies with an intergovernmental agreement between the United States and an applicable foreign country to report such information to its local tax authority, which will exchange such information with the U.S. authorities. Accordingly, the entity through which our Series 1 common stock is held will affect the determination of whether such withholding is required. Similarly, dividends in respect of our Series 1 common stock held by an investor that is a non-financial non-U.S. entity that does not qualify under certain exemptions will be subject to withholding at a rate of 30%, unless such entity either (i) certifies that such entity does not have any “substantial United States owners” or (ii) provides certain information regarding the entity’s “substantial United States owners,” which we or the applicable withholding agent will in turn provide to the Treasury Department. We will not pay any amounts to holders in respect of any amounts withheld. Under existing Regulations, FATCA withholding on gross proceeds from the sale or other disposition of our Series 1 common stock was to take effect on January 1, 2019; however, recently proposed Regulations, which may currently be relied upon, would eliminate FATCA withholding on such types of payments. Non-U.S. Holders should consult their tax advisors regarding the possible implications of this withholding tax on their investment in our Series 1 common stock.

U.S. federal estate tax

The estates of nonresident alien individuals are generally subject to U.S. federal estate tax on property with a U.S. situs. Because we are a U.S. corporation, our Series 1 common stock will be U.S. situs property and therefore will be included in the taxable estate of a nonresident alien decedent. The U.S. federal estate tax liability of the estate of a nonresident alien may be affected by a tax treaty between the United States and the decedent’s country of residence.

THE PRECEDING DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY. IT IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES OF PURCHASING, HOLDING, AND DISPOSING OF OUR SERIES 1 COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS.

Shares Eligible for Future Sale

Prior to this offering, there has been no public market for our Series 1 common stock. No prediction is made as to the effect, if any, future sales of shares, or the availability for future sales of shares, will have on the market price of our Series 1 common stock prevailing from time to time. The sale of substantial amounts of our Series 1 common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of our Series 1 common stock.

Upon the closing of this offering, we will have outstanding 60,792,991 shares of Series 1 common stock (or 61,820,491 shares of Series 1 common stock if the underwriters' option to purchase additional shares of Series 1 common stock is exercised in full) and 5,050,555 shares of Series 2 common stock. The shares of Series 1 common stock sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any Series 1 common stock held by our "affiliates," as defined in Rule 144, which would be subject to the limitations and restrictions described below. The remaining outstanding shares of our Series 1 common stock and Series 2 common stock will be deemed "restricted securities" as defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 promulgated pursuant to the Securities Act, which are summarized below.

As a result of lock-up agreements and market standoff provisions described below and the provisions of Rules 144 and 701, shares of our common stock will be available for sale in the public market as follows:

- 6,850,000 shares of our common stock will be eligible for immediate sale upon the closing of this offering; and
- substantially all remaining shares of our common stock will be eligible for sale upon expiration of lock-up agreements and market standoff provisions described below, beginning 181 days after the date of this prospectus, subject in certain circumstances to the volume, manner of sale, and other limitations under Rule 144 and Rule 701.

We may issue shares of our capital stock from time to time for a variety of corporate purposes, including in capital-raising activities through future public offerings or private placements, in connection with the exercise of stock options and warrants, vesting of restricted stock units and other issuances relating to our employee benefit plans and as consideration for future acquisitions, investments, or other purposes. The number of shares of our capital stock that we may issue may be significant, depending on the events surrounding such issuances. In some cases, the shares we issue may be freely tradable without restriction or further registration under the Securities Act; in other cases, we may grant registration rights covering the shares issued in connection with these issuances, in which case the holders of the shares will have the right, under certain circumstances, to cause us to register any resale of such shares to the public.

Registration statements on Form S-8

As of March 31, 2020, options to purchase an aggregate of 9,436,981 shares of our Series 1 common stock were outstanding. In addition, following the completion of this offering, 3,873,885 shares of our Series 1 common stock may be granted under our 2020 Plan, which may be increased by up to 11,784,522 shares that remained available for grant under our 2013 Plan upon its termination or that are subject to awards granted under our 2013 Plan that may expire or terminate without having been exercised or settled in full and may be added to the reserve under the 2020 Plan, and 1,936,943 shares of our Series 1 common stock may be granted under our 2020 ESPP, which amounts may be subject to annual adjustment. See "Executive and Director Compensation—Stock option and other compensation plans." We intend to file one or more registration statements on Form S-8 under the Securities Act to register Series 1 common stock issued or reserved for issuance under our 2013 Plan, our 2020 Plan, and our 2020 ESPP. Any such registration statement on Form S-8 will automatically become effective upon filing. Accordingly, shares of Series 1 common stock registered under such registration statement will be available for sale in the open market, subject to any vesting restrictions or the lock-up restrictions and Rule 144 limitations applicable to affiliates described below.

Lock-up agreements and market stand-off provisions

We, all of our directors and officers, and the holders of substantially all of our equity securities outstanding immediately prior to this offering have agreed with the underwriters, subject to certain exceptions, not to, and not to publicly announce an intention to: (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock, (2) file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock, or (3) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock, whether owned directly by such member (including holding as a custodian) or with respect to which such member has beneficial ownership within the rules and regulations of the SEC, during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Morgan Stanley & Co. LLC and Barclays Capital Inc. Our lock-up agreement will provide for certain exceptions. See “Underwriting.”

In addition to the restrictions contained in the lock-up agreements described above, we have entered into agreements with certain of our security holders, including our Investor Rights Agreement and agreements governing our equity awards, that contain market stand-off provisions imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

Rule 144

The shares of common stock to be issued upon conversion of our outstanding preferred stock and the outstanding shares of common stock held by our existing stockholders are “restricted” securities under Rule 144 and may not be sold in the absence of registration under the Securities Act unless an exemption from registration is available, including the exemption provided by Rule 144.

In general, under Rule 144, a person (or persons whose shares are aggregated) who is not deemed to have been an “affiliate” of ours at any time during the three months preceding a sale, and who has held restricted securities (within the meaning of Rule 144) for at least six months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those securities, subject only to the availability of current public information about us. As defined in Rule 144, an “affiliate” of an issuer is a person that directly, or indirectly, through one or more intermediaries, controls, or is under common control with the issuer. A non-affiliated person who has held restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those securities without regard to the provisions of Rule 144.

A person (or persons whose securities are aggregated) who is deemed to be an affiliate of ours and who has held restricted securities (within the meaning of Rule 144) for at least six months would be entitled to sell within any three-month period a number of securities that does not exceed the greater of one percent of the then outstanding shares of securities of such class or the average weekly trading volume of securities of such class during the four calendar weeks preceding such sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us (which requires that we are current in our periodic reports under the Exchange Act).

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our capital stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144.

Rule 701 also permits our affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required by that rule to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701. Moreover, all Rule 701 shares are subject to lock-up agreements or market stand-off provisions as described above and under “Underwriting” and will not become eligible for sale until the expiration of those agreements.

Registration rights

Pursuant to our Investor Rights Agreement, certain stockholders have the right, following the closing of this offering, to demand that we file a registration statement or request that their shares be included in a registration statement that we are otherwise filing. We refer to the shares held by holders having rights under this agreement as registrable securities. As of March 31, 2020, the holders of 57,660,727 registrable securities, including shares issuable upon the conversion of all outstanding preferred stock, have rights under this agreement.

Demand registration rights

Pursuant to our Investor Rights Agreement, beginning 180 days after the effective date of the registration statement for this offering and until the earlier of (1) the date four years following the completion of this offering and (2) the closing of a deemed liquidation event, the holders of at least a majority of the registrable securities with demand registration rights can demand that we file up to two registration statements on Form S-1. Additionally, beginning 180 days after the effective date of the registration statement for this offering and until the earlier of (1) the date four years following the completion of this offering and (2) the closing of a deemed liquidation event, Goldman Sachs & Co. LLC can demand that we file one registration statement on Form S-1. Under specified circumstances, we also have the right to defer filing of a requested registration statement for a period of not more than 30 days, which right may not be exercised more than once during any 12-month period. These registration rights are subject to additional conditions and limitations, including the right of the underwriters to limit the number of shares included in any such registration under certain circumstances.

Form S-3 registration rights

Pursuant to our Investor Rights Agreement, if we are eligible to file a registration statement on Form S-3, the holders of registrable securities have the right to demand that we file additional registration statements, including a shelf registration statement, for such holders on Form S-3, if the aggregate anticipated offering price is at least \$1.5 million.

Piggyback registration rights

Pursuant to our Investor Rights Agreement, if we propose to file a registration statement under the Securities Act, other than with respect to a registration related to employee benefit plans, a registration related to the issuance or resale of any securities issued in a corporate reorganization or transaction under Rule 145 of the Securities Act, or a registration in which the only common stock being registered is common stock issuable upon conversion of debt securities, the holders of all registrable securities are entitled to receive notice of the registration and to include their registrable securities in such registration. Holders of registrable securities will be entitled to notice of this registration and will be entitled to include their registrable securities in the registration statement of which this prospectus forms a part, subject to customary exclusions and limitations.

Expenses of registration

We are required to pay all expenses in connection with the registration, qualification, or compliance of sales relating to any demand, Form S-3, or piggyback registration. All selling expenses incurred will be borne by holders pro rata on the basis of the number of shares registered. We will not pay for any expenses of any demand registration if the request is subsequently withdrawn by the holders of a majority of the shares requested to be included in such a registration statement, subject to limited exceptions.

Underwriting

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC and Barclays Capital Inc. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

<u>Name</u>	<u>Number of Shares</u>
Morgan Stanley & Co. LLC	
Barclays Capital Inc.	
Jefferies LLC	
KeyBanc Capital Markets Inc.	
Canaccord Genuity LLC	
Needham & Company, LLC	
Raymond James & Associates, Inc.	
SunTrust Robinson Humphrey, Inc.	
	Total: <u>6,850,000</u>

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the shares of Series 1 common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of Series 1 common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of Series 1 common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters’ option to purchase additional shares described below.

The underwriters initially propose to offer part of the shares of Series 1 common stock directly to the public at the offering price set forth on the cover page of this prospectus and part to certain dealers. After the initial offering of the shares of Series 1 common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to 1,027,500 additional shares of Series 1 common stock at the public offering price set forth on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of Series 1 common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of Series 1 common stock as the number listed next to the underwriter’s name in the preceding table bears to the total number of shares of Series 1 common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters’ option to purchase up to an additional 1,027,500 shares of Series 1 common stock.

	<u>Per Share</u>	<u>Total</u>	
		<u>No Exercise</u>	<u>Full Exercise</u>
Public offering price	\$	\$	\$
Underwriting discounts and commissions to be paid by us	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$

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The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately \$3.9 million. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with Financial Industry Regulatory Authority, Inc. up to \$35,000.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of Series 1 common stock offered by them.

We have applied to list our Series 1 common stock on Nasdaq under the trading symbol "BIGC."

We and all directors and officers and the holders of substantially all of our outstanding stock and stock options have agreed that, subject to certain exceptions, without the prior written consent of the representatives on behalf of the underwriters, we and they will not, and will not publicly announce an intention to, during the period ending 180 days after the date of this prospectus (the "restricted period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock,

whether any such transaction described above is to be settled by delivery of Series 1 common stock or such other securities, in cash or otherwise. In addition, we and each such person agree that, without the prior written consent of the representatives on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of Series 1 common stock or any security convertible into or exercisable or exchangeable for Series 1 common stock.

The restrictions described in the immediately preceding paragraph do not apply to certain transfers, dispositions, or transactions, including the following:

- (a) transfers of shares of common stock or other securities acquired in open market transactions after the completion of this offering or the effective date of the registration statement of which this prospectus forms a part;
- (b) transfers of shares of common stock or any security convertible into or exercisable or exchangeable for common stock (i) as a bona fide gift, (ii) upon death or by will, testamentary document or intestate succession, (iii) to an immediate family member of the lock-up party or to any trust for the direct or indirect benefit of the lock-up party or the immediate family of the lock-up party, or (iv) if the lock-up party is a trust, to any beneficiary of the lock-up party or the estate of any such beneficiary;
- (c) distributions, transfers, or dispositions of shares of common stock or any security convertible into or exercisable or exchangeable for common stock (i) to another corporation, partnership, limited liability company, trust, or other business entity that is an affiliate of the lock-up party, or to any investment fund or other entity controlled or managed by the lock-up party or affiliates of the lock-up party, or (ii) as part of a distribution, transfer, or disposition without consideration by the lock-up party to its stockholders, current or former partners (general or limited), members, beneficiaries, or other equity holders, or to the estates of any such stockholders, partners, beneficiaries, or other equity holders; *provided* that, for certain holders, no filing under Section 16(a) of the Exchange Act or other public filing, report, or announcement shall be required or voluntarily made during the 30 days after the date of

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this prospectus, and after such 30th day, no filing under Section 16(a) of the Exchange Act or other public filing, report, or announcement shall be voluntarily made during the remainder of the restricted period and any required filing under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the circumstances described in this paragraph;

- (d) (i) the receipt by the lock-up party from us of shares of common stock upon the exercise of options or settlement of restricted stock units or other equity awards granted under a stock incentive plan or other equity award plan, which plan is described herein, or the exercise of warrants outstanding and which are described herein, or (ii) the transfer of shares of common stock or any securities convertible into common stock to us upon a vesting or settlement event of our securities or upon the exercise of options, restricted stock units or warrants to purchase our securities on a “cashless” or “net exercise” basis to the extent permitted by the instruments representing such options, restricted stock units, or warrants (and any transfer to us necessary in respect of such amount needed for the payment of taxes, including estimated taxes, due as a result of such vesting or exercise whether by means of a “net settlement” or otherwise) so long as such “cashless” exercise or “net exercise” is effected solely by the surrender of outstanding options, restricted stock units or warrants (or the common stock issuable upon the exercise thereof) to us and our cancellation of all or a portion thereof to pay the exercise price and/or withholding tax and remittance obligations; *provided* that in the case of either (i) or (ii), (x) the shares received upon exercise or settlement of the option, restricted stock unit or warrant are subject to the terms of the lock-up agreement, and (y) no public announcement or filing under Section 16(a) of the Exchange Act, or any other public filing or disclosure of such receipt or transfer, shall be required or shall be voluntarily made by or on behalf of the lock-up party;
- (e) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, *provided* that (i) such plan does not provide for the transfer of common stock during the restricted period, and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the lock-up party or us regarding the establishment of such plan during the restricted period, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the restricted period;
- (f) the transfer of common stock or any security convertible into or exercisable or exchangeable for common stock that occurs by operation of law pursuant to a qualified domestic order in connection with a divorce settlement or other court order;
- (g) any transfer of common stock to us pursuant to arrangements under which we have the right or option to repurchase such shares or a right of first refusal with respect to transfers of such shares and which are described herein;
- (h) the conversion of the outstanding preferred stock into shares of common stock prior to or in connection with the consummation of this offering or the conversion of shares of Series 2 common stock into shares of Series 1 common stock, *provided* that any such shares of common stock received upon such conversion shall be subject to the terms of the lock-up agreement;
- (i) the transfer of shares of common stock or any security convertible into or exercisable or exchangeable for common stock pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction, that is approved by our board of directors, made to all holders of common stock involving a change of control, *provided* that in the event that the tender offer, merger, consolidation, or other such transaction is not completed, the common stock owned by the lock-up party shall remain subject to the restrictions contained in the lock-up agreement;
- (j) for certain holders, the assignment or transfer, in whole or in part, of the conversion right and/or the term loan advance provided in the 2017 Convertible Term Loan and the 2020 Convertible Term Loan, and/or any other indebtedness incurred by us or by any of our subsidiaries or other affiliates under either the 2017 Convertible Term Loan or the 2020 Convertible Term Loan; and

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- (k) for certain holders, the exercise of a conversion right and/or the term loan advance by a conversion right holder pursuant to either the 2017 Convertible Term Loan or the 2020 Convertible Term Loan, *provided* that the shares of common stock issued upon such exercise shall be subject to the restrictions set forth in the lock-up agreement;

provided that:

- in the case of any assignment, transfer, distribution, or disposition pursuant to clause (b), (c), (f), or (j), each assignee, transferee, donee, or distributee shall sign and deliver a lock-up agreement;
- in the case of any transfer, distribution, or disposition pursuant to clause (b) or (c), such transfer, distribution, or disposition shall not involve a transfer, distribution, or disposition for value;
- in the case of any transfer, distribution, or disposition pursuant to clause (a), (b), or (c), no public announcement or filing under Section 16(a) of the Exchange Act, or any other public filing or disclosure shall be required or shall be voluntarily made during the restricted period; and
- in the case of any transfer or exercise pursuant to clause (f), (g), or (k), no public announcement or filing under Section 16(a) of the Exchange Act, or any other public filing or disclosure shall be required or shall be voluntarily made during the restricted period, unless such filing is required and clearly indicates in the footnotes thereto that such transfer or exercise is being made pursuant to the circumstances described in the applicable clause.

Subject to compliance with the notification and public announcement requirements related to the lock-up agreements with directors and officers under FINRA Rule 5131(d)(2), the representatives, in their sole discretion, may release the Series 1 common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the Series 1 common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 1 common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under their option to purchase additional shares. The underwriters can close out a covered short sale by exercising the option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the option to purchase additional shares, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Series 1 common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of Series 1 common stock in the open market to stabilize the price of the Series 1 common stock. These activities may raise or maintain the market price of the Series 1 common stock above independent market levels or prevent or retard a decline in the market price of the Series 1 common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of Series 1 common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make internet distributions on the same basis as other allocations.

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The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing, and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the offering

Prior to this offering, there has been no public market for our Series 1 common stock. The initial public offering price will be determined by negotiations among us and the representatives. Among the factors considered in determining the initial public offering price will be our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling restrictions

Australia

This prospectus:

- does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the “Corporations Act”);
- has not been, and will not be, lodged with the Australian Securities and Investments Commission (“ASIC”), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act (“Exempt Investors”).

The securities may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the securities may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any securities may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the securities, you represent and warrant to us that you are an Exempt Investor.

As any offer of securities under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the securities you undertake to us that you will not, for a

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period of 12 months from the date of sale of the securities, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Canada

The securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Dubai International Finance Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "DFSA.") This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

European Economic Area

In relation to each Member State of the European Economic Area (each, a "Member State"), no offer of shares may be made to the public in that Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the representatives; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of shares shall require us or any of our representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the representatives and us that it is a "qualified investor" as defined in the Prospectus Regulation.

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In the case of any shares being offered to a financial intermediary as that term is used in Article 5 of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a nondiscretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Member State to qualified investors as so defined or in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an “offer of shares to the public” in relation to any shares in any Member State means the communication in any form and by means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase shares, the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 (as amended).

Hong Kong

The securities have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”) of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong) (the “CO”) or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the securities has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

Japan

The securities have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the securities nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any “resident” of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

People’s Republic of China

This prospectus will not be circulated or distributed in the People’s Republic of China (the “PRC”), and the securities will not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to any residents of the PRC except pursuant to any applicable laws and regulations of the PRC. Neither this prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with applicable laws and regulations.

Singapore

Each underwriter has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter has represented and agreed that it has not offered or sold any securities or caused the securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any securities or cause the securities to be made the subject of an invitation for

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subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA;
- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the securities pursuant to an offer made under Section 275 of the SFA except:
 - (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 276(4)(i)(B) of the SFA;
 - (ii) where no consideration is or will be given for the transfer;
 - (iii) where the transfer is by operation of law;
 - (iv) as specified in Section 276(7) of the SFA; or
 - (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification — In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of shares of common stock, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the shares are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

The securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the securities or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this

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document will not be filed with, and the offer of securities will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of securities has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of securities.

United Arab Emirates

The securities have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

United Kingdom

Each underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”) received by it in connection with the issue or sale of the shares of our Series 1 common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our Series 1 common stock in, from or otherwise involving the UK.

Legal Matters

The validity of the issuance of the shares of Series 1 common stock offered hereby will be passed upon for BigCommerce Holdings, Inc. by DLA Piper LLP (US), Austin, Texas. Certain legal matters in connection with this offering will be passed upon for the underwriters by Cooley LLP, New York, New York.

Experts

The consolidated financial statements of BigCommerce Holdings, Inc. at December 31, 2018 and 2019, and for the years ended December 31, 2018 and 2019, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Where You Can Find More Information

We have filed with the SEC, a registration statement on Form S-1 under the Securities Act with respect to the shares of Series 1 common stock offered by this prospectus. This prospectus, filed as part of the registration statement, does not contain all of the information set forth in the registration statement and its exhibits and schedules. You can find further information about us in the registration statement and its exhibits and schedules. Statements in this prospectus about the contents of any contract, agreement, or other document are not necessarily complete and, in each instance, we refer you to the copy of such contract, agreement, or document filed as an exhibit to the registration statement, with each such statement being qualified in all respects by reference to the document to which it refers.

Our SEC filings, including the registration statement, also are available to you on the SEC's website at www.sec.gov. This site contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The information on that website is not part of this prospectus.

Upon the completion of this offering, we will become subject to the informational requirements of the Exchange Act and will be required to file periodic current reports, proxy statements, and other information with the SEC. You will be able to inspect this material without charge at the SEC's website.

In addition, following the completion of this offering, we will make the information filed with or furnished to the SEC available free of charge through our website (www.BigCommerce.com) as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The information contained in, or that can be accessed through, our website is not incorporated by reference in and is not part of this prospectus. Investors should not rely on any such information in deciding whether to purchase our Series 1 common stock.

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Report of Independent Registered Public Accounting Firm

The Stockholders and Board of Directors of BigCommerce Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of BigCommerce Holdings, Inc. (the Company) as of December 31, 2018 and 2019, the related consolidated statements of operations, comprehensive loss, convertible preferred stock and stockholders' equity (deficit), and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2019, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

Adoption of ASU No. 2016-02

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for leases in 2019 due to the adoption of Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842).

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2012.

Austin, Texas

March 17, 2020, except for the effects of the reverse stock split described in Note 2, as to which the date is July 28, 2020.

BigCommerce Holdings, Inc.
Consolidated Balance Sheets
(in thousands, except per share amounts)

	<u>December 31,</u>		<u>March 31,</u>	<u>March</u>
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>31,</u>
			<u>(Unaudited)</u>	<u>2020 -</u>
				<u>Pro</u>
				<u>forma</u>
Assets				
Current assets				
Cash and cash equivalents	\$ 12,793	\$ 7,795	\$ 33,026	\$ 17,670
Restricted cash	1,104	1,355	1,086	1,086
Marketable securities	23,367	-	-	-
Accounts receivable, net	10,238	15,548	16,060	16,060
Prepaid expenses and other assets	3,512	5,296	6,681	6,681
Deferred commissions	2,106	1,677	1,763	1,763
Total current assets	53,120	31,671	58,616	43,260
Property and equipment, net	5,231	8,241	7,931	7,931
Right-of-use-asset	-	14,065	13,317	13,317
Deferred commissions, net of current portion	753	2,087	2,184	2,184
Total assets	\$ 59,104	\$ 56,064	\$ 82,048	\$ 66,692
Liabilities, convertible preferred stock, and stockholders' equity (deficit)				
Current liabilities				
Accounts payable	\$ 5,463	\$ 3,881	\$ 6,027	\$ 6,027
Accrued liabilities	2,618	5,849	2,989	2,989
Deferred revenue	10,429	9,399	9,649	9,649
Current portion of long-term debt	946	2,363	2,215	1,890
Current portion of operating lease liabilities	-	2,718	2,796	2,796
Other current liabilities	7,934	9,704	9,396	9,396
Deferred rent and leasehold incentive obligations	247	-	-	-
Total current liabilities	27,637	33,914	33,072	32,747
Deferred revenue, net of current portion	2,136	1,492	907	907
Long-term debt, net of current portion	23,415	38,502	69,491	20,953
Operating lease liabilities, net of current portion	-	15,705	14,787	14,787
Deferred rent and leasehold incentive obligations, net of current portion	946	-	-	-
Total liabilities	54,134	89,613	118,257	69,394
Commitments and contingencies (Note 6)				
Convertible preferred stock				
Convertible preferred stock, \$0.0001 par value; 102,030 shares authorized, issued and outstanding at December 31, 2018 and 2019, and March 31, 2020 (unaudited); no shares authorized, issued and outstanding, pro forma at March 31, 2020 (unaudited)	216,446	223,754	225,499	-
Stockholders' equity (deficit)				
Common stock, \$0.0001 par value; 205,000 shares voting and 45,000 shares non-voting authorized at December 31, 2018 and 2019; 17,445, 18,544, and 18,992 shares voting issued and outstanding at December 31, 2018 and 2019 and March 31, 2020 (unaudited), respectively, and no shares non-voting issued and outstanding at December 31, 2018 and 2019, and March 31, 2020 (unaudited); 500,000 shares voting and 45,000 shares non-voting authorized pro forma at March 31, 2020 and 53,943 shares voting issued and outstanding and 5,051 shares non-voting issued and outstanding pro forma at March 31, 2020 (unaudited).	2	2	2	14
Additional paid-in capital	13,261	17,244	18,953	285,675
Accumulated other comprehensive loss	(14)	-	-	-
Accumulated deficit	(224,725)	(274,549)	(280,663)	(288,391)
Total stockholders' equity (deficit)	(211,476)	(257,303)	(261,708)	(2,702)
Total liabilities, convertible preferred stock, and stockholders' equity (deficit)	\$ 59,104	\$ 56,064	\$ 82,048	\$ 66,692

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

BigCommerce Holdings, Inc.
Consolidated Statements of Operations
(in thousands, except per share amounts)

	Year ended December 31,		Three months ended March 31,	
	2018	2019	2019 (Unaudited)	2020
Revenue	\$ 91,867	\$ 112,103	\$ 25,584	\$ 33,174
Cost of revenue	21,937	27,023	5,925	7,480
Gross profit	<u>69,930</u>	<u>85,080</u>	<u>19,659</u>	<u>25,694</u>
Operating expenses:				
Sales and marketing	45,928	60,740	14,136	15,762
Research and development	42,485	43,123	10,832	10,921
General and administrative	19,497	22,204	4,999	6,466
Total operating expenses	<u>107,910</u>	<u>126,067</u>	<u>29,967</u>	<u>33,149</u>
Loss from operations	(37,980)	(40,987)	(10,308)	(7,455)
Interest income	653	245	155	1
Interest expense	(1,489)	(1,612)	(360)	(762)
Change in fair value of financial instruments	-	-	-	4,413
Other expense	(52)	(208)	(21)	(203)
Loss before provision for income taxes	(38,868)	(42,562)	(10,534)	(4,006)
Provision for income taxes	10	28	7	17
Net loss	<u>(38,878)</u>	<u>(42,590)</u>	<u>\$ (10,541)</u>	<u>\$ (4,023)</u>
Cumulative dividends and accretion of issuance costs on Series F preferred stock	\$ (4,712)	\$ (7,308)	\$ (1,736)	\$ (1,745)
Net loss attributable to common stockholders	<u>\$ (43,590)</u>	<u>\$ (49,898)</u>	<u>\$ (12,277)</u>	<u>\$ (5,768)</u>
Basic and diluted net loss per share attributable to common stockholders	<u>\$ (2.59)</u>	<u>\$ (2.80)</u>	<u>\$ (0.70)</u>	<u>\$ (0.31)</u>
Weighted average shares used to compute basic and diluted net loss per share attributable to common stockholders	<u>16,807</u>	<u>17,834</u>	<u>17,487</u>	<u>18,645</u>
Basic and diluted pro forma net loss per share attributable to Series 1 and Series 2 common stockholders (unaudited)		<u>\$ (0.75)</u>		<u>\$ (0.06)</u>
Weighted average number of shares used to compute pro forma net loss per share attributable to Series 1 and Series 2 common stockholders, basic and diluted (unaudited)		<u>55,120</u>		<u>57,128</u>

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

BigCommerce Holdings, Inc.
Consolidated Statements of Comprehensive Loss
(in thousands)

	<u>Year ended December 31,</u>		<u>Three months ended March 31,</u>	
	<u>2018</u>	<u>2019</u>	<u>2019</u>	<u>2020</u>
			<i>(Unaudited)</i>	
Net loss	\$ (38,878)	\$ (42,590)	\$ (10,541)	\$ (4,023)
Other comprehensive income (loss):				
Net unrealized gain (loss) on marketable debt securities	(14)	14	14	-
Total comprehensive loss	<u>\$ (38,892)</u>	<u>\$ (42,576)</u>	<u>\$ (10,527)</u>	<u>\$ (4,023)</u>

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

BigCommerce Holdings, Inc.
Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity (Deficit)
(in thousands)

	Convertible Preferred Stock		Series 1 Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance at December 31, 2017	78,402	\$ 148,105	16,059	\$ 2	\$ 10,633	\$ (182,349)	\$ -	\$ (171,714)
Adoption of ASC 606	-	-	-	-	-	1,164	-	1,164
Issuance of Series F preferred stock, net of issuance costs	23,628	63,629	-	-	-	-	-	-
Exercise of stock options	-	-	1,386	-	607	-	-	607
Stock-based compensation	-	-	-	-	2,071	-	-	2,071
Accumulated dividend – Series F	-	4,662	-	-	-	(4,662)	-	(4,662)
Accretion of Series F issuance costs	-	50	-	-	(50)	-	-	(50)
Unrealized loss on investments	-	-	-	-	-	-	(14)	(14)
Net loss	-	-	-	-	-	(38,878)	-	(38,878)
Balance at December 31, 2018	102,030	216,446	17,445	\$ 2	13,261	(224,725)	(14)	\$ (211,476)
Exercise of stock options	-	-	1,099	-	901	-	-	901
Stock-based compensation	-	-	-	-	3,156	-	-	3,156
Accumulated dividend – Series F	-	7,234	-	-	-	(7,234)	-	(7,234)
Accretion of Series F issuance costs	-	74	-	-	(74)	-	-	(74)
Unrealized gain on investments	-	-	-	-	-	-	14	14
Net loss	-	-	-	-	-	(42,590)	-	(42,590)
Balance at December 31, 2019	102,030	\$ 223,754	18,544	\$ 2	\$ 17,244	\$ (274,549)	\$ -	\$ (257,303)
Exercise of stock options (unaudited)	-	-	448	-	404	-	-	404
Stock-based compensation (unaudited)	-	-	-	-	1,026	-	-	1,026
Accumulated dividend – Series F (unaudited)	-	1,727	-	-	-	(1,727)	-	(1,727)
Accretion of Series F issuance costs (unaudited)	-	18	-	-	(18)	-	-	(18)
Warrants issued in connection with debt (unaudited)	-	-	-	-	297	-	-	297
Adoption of new accounting standard. See Note 2 (unaudited)	-	-	-	-	-	(364)	-	(364)
Net loss (unaudited)	-	-	-	-	-	(4,023)	-	(4,023)
Balance at March 31, 2020 (Unaudited)	102,030	\$ 225,499	18,992	\$ 2	\$ 18,953	\$ (280,663)	\$ -	\$ (261,708)

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

BigCommerce Holdings, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Year ended December 31,		Three months ended March 31,	
	2018	2019	2019	2020
	(Unaudited)			
Cash flows from operating activities				
Net loss	\$ (38,878)	\$ (42,590)	\$ (10,541)	\$ (4,023)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	1,844	2,569	533	907
Amortization of discount on debt	49	54	14	118
Stock-based compensation	2,071	3,156	595	1,026
Bad debt expense	341	988	247	589
Accretion on discount to marketable securities	(190)	(69)	(58)	-
Change in fair value of financial instrument	-	-	-	(4,413)
Changes in operating assets and liabilities:				
Accounts receivable	(4,627)	(6,297)	(3,004)	(1,466)
Prepaid expenses	(294)	(1,786)	(440)	(1,097)
Deferred commissions	(804)	(903)	(120)	(182)
Accounts payable	291	(1,582)	25	2,146
Accrued and other current liabilities	2,351	8,164	2,395	(3,259)
Deferred revenue	6,908	(1,673)	(772)	(336)
Deferred rent and leasehold incentive obligations	347	-	-	-
Net cash used in operating activities	<u>(30,591)</u>	<u>(39,969)</u>	<u>(11,126)</u>	<u>(9,990)</u>
Cash flows from investing activities:				
Purchase of marketable securities	(33,566)	-	-	-
Purchase of property and equipment	(3,326)	(5,579)	(1,195)	(597)
Maturity of marketable securities	10,375	23,450	12,186	-
Net cash (used in) provided by investing activities	<u>(26,517)</u>	<u>17,871</u>	<u>10,991</u>	<u>(597)</u>
Cash flows from financing activities:				
Proceeds from issuance of preferred stock, net of issuance costs	63,629	-	-	-
Proceeds from exercise of stock options	607	901	132	404
Proceeds from debt	4,500	18,500	3,764	40,745
Repayment of debt	(4,500)	(2,050)	(513)	(5,600)
Net cash provided by financing activities	<u>64,236</u>	<u>17,351</u>	<u>3,383</u>	<u>35,549</u>
Net change in cash and cash equivalents and restricted cash	7,128	(4,747)	3,248	24,962
Cash and cash equivalents and restricted cash, beginning of period	6,769	13,897	13,897	9,150
Cash and cash equivalents and restricted cash, end of period	<u>\$ 13,897</u>	<u>\$ 9,150</u>	<u>\$ 17,145</u>	<u>\$ 34,112</u>
Supplemental cash flow information				
Cash paid for taxes, net of refunds	\$ -	\$ -	\$ -	\$ -
Cash paid for interest	<u>\$ 1,250</u>	<u>\$ 1,626</u>	<u>\$ 349</u>	<u>\$ 601</u>
Noncash financing activities				
Issuance of warrants	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 297</u>

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

BigCommerce Holdings, Inc.

Notes to Consolidated Financial Statements

1. Overview

BigCommerce is leading a new era of ecommerce. Our software-as-a-service (“SaaS”) platform simplifies the creation of beautiful, engaging online stores by delivering a unique combination of ease-of-use, enterprise functionality, and flexibility. We power both our customers’ branded ecommerce stores and their cross-channel connections to popular online marketplaces, social networks, and offline point-of-sale systems.

We provide a comprehensive platform for launching and scaling an ecommerce operation, including store design, catalog management, hosting, checkout, order management, reporting, and pre-integration into third-party services like payments, shipping, and accounting. All our stores run on a single code base and share a global, multi-tenant architecture purpose built for security, high performance, and innovation. Our platform serves stores in a wide variety of sizes, product categories, and purchase types, including business-to-consumer and business-to-business.

Our headquarters and principal place of business are in Austin, Texas.

We were formed in Australia in December 2003 under the name Interspire Pty Ltd and reorganized into a corporation in Delaware under the name BigCommerce Holdings, Inc. in February 2013.

References in these consolidated financial statements to “we,” “us,” “our,” the “Company,” or “BigCommerce” refer to BigCommerce Holdings, Inc. and its subsidiaries, unless otherwise stated.

In our audited financial statements for the year ended December 31, 2018, we previously reported having substantial doubt as to our ability to continue as a going concern. Subsequent to December 31, 2019, we amended our loan agreement to add a convertible term loan of \$35.0 million. With this additional financing we alleviated our substantial doubt to continue as a going concern. Based upon our current operating plan, we believe we have sufficient resources to fund operations through at least the second quarter of 2021. At March 31, 2020 (unaudited), we have \$33.0 million in cash and cash equivalents to fund our operations.

2. Summary of significant accounting policies

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

Basis of consolidation

The accompanying consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation. Our fiscal year ends on December 31.

Unaudited Interim Financial Information

The accompanying consolidated balance sheet as of March 31, 2020, the consolidated statements of operations, comprehensive loss, and cash flows for the three months ended March 31, 2019 and 2020, the consolidated

2. Summary of significant accounting policies (continued)

statement of convertible preferred stock and stockholders' equity (deficit) for the three months ended March 31, 2020, and the related footnote disclosures are unaudited. The unaudited interim financial statements have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly our financial condition and results of operations and cash flows for the three months ended March 31, 2019 and 2020. The results of operations for the three months ended March 31, 2020 are not necessarily indicative of the results to be expected for the year ending December 31, 2020 or for any other future annual or interim period.

Unaudited Pro Forma Balance Sheet Information

The unaudited pro forma balance sheet information at March 31, 2020 has been prepared to give effect to:

(i) the automatic conversion of all outstanding shares of our redeemable convertible preferred stock (excluding the shares of Series F preferred stock issuable upon conversion of the Convertible Term Loan, as defined in Note 8—Debt, and the exercise of the purchase right pursuant thereto, as defined in Note 8—Debt) into an aggregate of 29,391 shares of Series 1 common stock and 5,051 shares of Series 2 common stock, (ii) the conversion of the Convertible Term Loan into Series F preferred stock, and the automatic conversion of such shares into 2,057 shares of Series 1 common stock, (iii) the exercise of the purchase right at the option of the lenders under the Convertible Term Loan for the purchase of Series F preferred stock, and the automatic conversion of such shares into 123 shares of Series 1 common stock, (iv) the conversion of the 2020 Convertible Loan, as defined in Note 8—Debt, into 3,070 shares of Series 1 common stock, and (v) the payment in cash of the Series F Dividend, as defined in Note 9—Stockholders' equity (deficit), which is expected to total \$16.4 million as of the closing of the offering, in each case as of immediately prior to the closing of the offering.

Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires certain financial instruments to be recorded at fair value; requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting periods. Significant estimates, judgments, and assumptions in these consolidated financial statements include: allocating variable consideration for revenue recognition; the amortization period for deferred commissions; the allowance for credit losses; a determination of the deferred tax asset valuation allowance and the valuation of our common stock used to determine stock-based compensation expense. Because of the use of estimates inherent in the financial reporting process and given the additional or unforeseen effects from the COVID-19 pandemic, actual results could differ from those estimates, and such differences could be material to our consolidated financial statements.

COVID-19, declared a global pandemic by the World Health Organization on March 11, 2020, has caused disruption to the economies and communities of the United States and our target international markets. In the interest of public health, many governments closed physical stores and places of business deemed non-essential. This precipitated a significant shift in shopping behavior from offline to online. Our business has benefited from this shift, both in accelerated sales growth for our existing customers' stores, and in our sales of new store subscriptions to customers. Nevertheless, we do not have certainty that those trends will continue; the COVID-19 pandemic and the uncertainty it has created in the global economy could materially adversely affect our business, financial condition, and results of operations.

2. Summary of significant accounting policies (continued)

Stock Split

On July 24, 2020, our board of directors and stockholders approved an amendment to our certificate of incorporation that effected a one-for-three reverse stock split of our common stock. All common stock share and per share information for all periods presented has been adjusted to reflect the reverse stock split. The amendment to our certificate of incorporation adjusted the amount of our authorized shares to: 205,000,000 shares of Series 1 common stock, 45,000,000 shares of Series 2 common stock, and 109,030,573 shares of preferred stock. The common stock has a par value of \$0.0001 per share. On July 24, 2020, concurrently with the effectiveness of the reverse stock split, the conversion prices applicable to our preferred stock were adjusted proportionately in accordance with our certificate of incorporation.

Segment and geographic information

Our chief operating decision maker is our chief executive officer. Our chief executive officer reviews the financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. Accordingly, we have determined that we operate as a single operating and reportable segment. Revenue by geographic region was as follows:

<i>(in thousands)</i>	<u>Year Ended December 31,</u>		<u>Three months ended March 31,</u>	
	<u>2018</u>	<u>2019</u>	<u>2019</u>	<u>2020</u>
			(Unaudited)	
Revenue:				
Americas – U.S.	\$ 75,025	\$ 91,057	\$ 20,611	\$ 26,733
Americas – other	3,000	3,761	961	1,100
EMEA	6,123	7,370	1,751	2,442
APAC	7,719	9,915	2,261	2,899
Total revenue	<u>\$ 91,867</u>	<u>\$ 112,103</u>	<u>\$ 25,584</u>	<u>\$ 33,174</u>

Long-lived assets by geographic region was as follows:

<i>(in thousands)</i>	<u>Year Ended December 31,</u>		<u>March 31,</u>
	<u>2018</u>	<u>2019</u>	<u>2020</u>
			(Unaudited)
Long-lived assets:			
Americas – U.S.	\$ 4,864	\$ 7,699	\$ 7,348
Americas – other	-	-	-
EMEA	-	-	-
APAC	367	542	583
Total long-lived assets	<u>\$ 5,231</u>	<u>\$ 8,241</u>	<u>\$ 7,931</u>

Cash and cash equivalents

We consider all highly liquid investments with original maturities of three months or less from the date of purchase to be cash equivalents. Cash equivalents consist of money market funds and investment securities and are stated at fair value.

2. Summary of significant accounting policies (continued)

Restricted cash

We maintain a portion of amounts collected through our online payment processor with the online payment processor as a security deposit for future chargebacks. Additionally, we have amounts on deposit with certain financial institutions that serve as collateral for letters of credit and lease deposits.

Marketable securities

All marketable securities have been classified as available-for-sale and are carried at estimated fair value. We determine the appropriate classification of our investments in debt securities at the time of purchase. Securities may have stated maturities greater than one year. All marketable securities are considered available to support current operations and are classified as current assets. Unrealized gains and losses are excluded from earnings and are reported as a component of accumulated other comprehensive loss. Realized gains and losses, and declines in fair value judged to be other than temporary, are included in other expense. The cost of securities sold is based on the specific-identification method. Interest on marketable securities is included in interest income.

Accounts receivable

Accounts receivable are stated at net realizable value and include unbilled receivables. Unbilled receivables arise primarily when we provide subscriptions services in advance of billing. Accounts receivable are net of an allowance for credit losses, are not collateralized, and do not bear interest. Payment terms range from due immediately to due within 60 days. The accounts receivable balance at December 31, 2018 and 2019 and March 31, 2020 (unaudited) included unbilled receivables of \$2.6 million, \$4.0 million, and \$4.5 million, respectively.

We assess the collectability of outstanding accounts receivable on an ongoing basis and maintain an allowance for credit losses for accounts receivable deemed uncollectable. Upon adoption of ASU 2016-13, we analyzed the accounts receivable portfolio for significant risks, historical activity, and an estimate of future collectability to determine the amount that will ultimately be collected. This estimate is analyzed quarterly and adjusted as necessary. Identified risks pertaining to our accounts receivable include the delinquency level, customer type, and current economic environment. Due to the short-term nature of such receivables, the estimate of the amount of accounts receivable that may not be collected is based on aging of the accounts receivable balances and the financial condition of customers. Adoption of ASU 2016-13 resulted in an increase in the allowance for credit losses of approximately \$0.4 million as of January 1, 2020, primarily related to unbilled receivables.

The allowance for credit losses consisted of the following:

<i>(in thousands)</i>	
Balance at December 31, 2017	\$ 376
Bad-debt expense	341
Accounts written off	<u>(120)</u>
Balance at December 31, 2018	597
Bad-debt expense	988
Accounts written off	<u>(418)</u>
Balance at December 31, 2019	\$ 1,167
Cumulative effect adjustment upon adoption (unaudited)	364
Provision for expected credit losses (unaudited)	589
Accounts written off (unaudited)	<u>(236)</u>
Balance at March 31, 2020 (unaudited)	<u>\$ 1,884</u>

2. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives or the related lease terms (if shorter).

The estimated useful lives of property and equipment are as follows:

	Estimated Useful Life
Computer equipment	3 years
Computer software	3 years
Furniture and fixtures	5 years
Leasehold improvements	1-10 years

Maintenance and repairs that do not enhance or extend the asset's useful life are charged to operating expenses as incurred.

The carrying values of property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, we compare the projected undiscounted future cash flows associated with groups of assets used in combination over their estimated useful lives against their respective carrying amounts. If projected undiscounted future cash flows are less than the carrying value of the asset group, impairment is recorded for any excess of the carrying amount over the fair value of those assets in the period in which the determination is made.

Research and development and internal use software

Research and development expenses consist primarily of personnel and related expenses for our research and development staff, which include: salaries, benefits, bonuses, and stock-based compensation; the cost of certain third-party contractors; and allocated overhead. Expenditures for research and development, other than internal use software costs, are expensed as incurred.

Software development costs associated with internal use software, which are incurred during the application development phase and meet other requirements under the guidance are capitalized. To date, software costs eligible for capitalization have not been significant.

Concentration of credit risks, significant clients, and suppliers

Financial instruments that potentially subject us to concentrations of credit risk consist of cash and cash equivalents, marketable securities, restricted cash, and accounts receivable. Our investment policy limits investments to high credit quality securities issued by the U.S. government, U.S. government-sponsored agencies, and highly rated corporate securities, subject to certain concentration limits and restrictions on maturities. Our cash and cash equivalents and restricted cash are held by financial institutions that management believes are of high credit quality. Amounts on deposit may at times exceed federally insured limits. We have not experienced any losses on our deposits of cash and cash equivalents. We are exposed to credit risk in the event of default by the financial institutions holding our cash and cash equivalents and bond issuers.

Accounts receivable are derived from sales to our customers and our strategic technology partners who operate in a variety of sectors. We do not require collateral. Estimated credit losses are provided for in the consolidated financial statements and historically have been within management's expectations.

2. Summary of significant accounting policies (continued)

One of our strategic partners accounted for 12% of our revenue for the years ended December 31, 2018 and 2019, and accounted for 22% and 20% of our accounts receivable balance at December 31, 2018 and 2019, respectively. For the three months ended March 31, 2019 and 2020 (unaudited), one of our strategic partners accounted for 11% and 14%, respectively, of our revenue and accounted for 22% of our accounts receivable balance at March 31, 2020 (unaudited).

Foreign currency

Our functional and reporting currency and the functional and reporting currency of our subsidiaries is the U.S. dollar. Monetary assets and liabilities denominated in foreign currencies are re-measured to U.S. dollars using the exchange rates at the balance sheet dates. Non-monetary assets and liabilities denominated in foreign currencies are measured in U.S. dollars using historical exchange rates. Revenue and expenses are measured using the actual exchange rates prevailing on the dates of the transactions. Gains and losses resulting from re-measurement are recorded within Other expense in our consolidated statements of operations and were not material for all periods presented.

Revenue recognition

Our sources of revenue consist of subscription solutions fees and partner and services fees. These services allow customers to access our hosted software over the contract period. The customer is not allowed to take possession of the software or transfer the software. Our revenue arrangements do not contain general rights of refund in the event of cancellations.

The following table disaggregates our revenue by major source:

(in thousands)	Year ended December 31,		Three months ended March 31,	
	2018	2019	2019	2020
			(Unaudited)	
Subscription solutions	\$ 70,484	\$ 82,689	\$ 19,248	\$ 23,554
Partner and services	21,383	29,414	6,336	9,620
Total revenue	\$ 91,867	\$ 112,103	\$ 25,584	\$ 33,174

Subscription solutions

Subscription solutions revenue consists primarily of platform subscription fees from all plans. It also includes recurring professional services and sales of SSL certificates. Subscription solutions are charged monthly, quarterly, or annually for our customers to sell their products and process transactions on our platform. Subscription solutions are generally charged per online store and are based on the store's subscription plan. Monthly subscription fees for Pro and Enterprise plans are adjusted if a customer's gross merchandise volume or orders processed are above specified plan thresholds on a trailing twelve-month basis. For most subscription solutions arrangements, we have determined we meet the variable consideration allocation exception and, therefore, recognize fixed monthly fees or a pro-rata portion of quarterly or annual fees and any transaction fees as revenue in the month they are earned.

Professional services, which primarily consist of education packages, launch services, solutions architecting, implementation consulting, and catalog transfer services, are generally billed and recognized as revenue when delivered.

2. Summary of significant accounting policies (continued)

Contracts with our retail customers are generally month-to-month, while contracts with our enterprise customers generally range from one to three years. Contracts are typically non-cancellable and do not contain refund-type provisions. Revenue is presented net of sales tax and other taxes we collect on behalf of governmental authorities.

Partner and services

Our partner and services revenue consists of revenue share, partner technology integrations, and marketing services provided to partners. Revenue share relates to fees earned by our partners from customers using our platform, where we have an arrangement with such partner to share such fees as they occur. Revenue share is recognized at the time the earning activity is complete, which is generally monthly. Revenue for partner technology integrations is recorded on a straight-line basis over the life of the contract commencing when the integration has been completed. Fees for marketing services are recognized either at the time the earning activity is complete, or ratably over the length of the contract, depending on the nature of the obligations in the contract. Payments received in advance of services being rendered are recorded as deferred revenue and recognized when the obligation is completed.

We also derive revenue from the sales of website themes and applications upon delivery.

We recognize revenue share, and revenue from the sales of third-party applications, on a net basis as we have determined that we are the agent in our arrangements with third-party application providers. All other revenue is recognized on a gross basis, as we have determined we are the principal in these arrangements.

Contracts with multiple performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment.

Our subscription contracts are generally comprised of a single performance obligation to provide access to our platform, but can include additional performance obligations. For contracts with multiple performance obligations where the contracted price differs from the standalone selling price ("SSP") for any distinct good or service, we may be required to allocate the contract's transaction price to each performance obligation using our best estimate of SSP.

Contracts with our technology solution partners often include multiple performance obligations. In determining whether integration services are distinct from hosting services we consider various factors. These considerations included the level of integration, interdependency, and interrelation between the implementation and hosting service, as well as any promises in the contract. We have concluded that the integration services included in contracts with hosting obligations are not distinct. As a result, we defer any arrangement fees for integration services and recognize such amounts over the life of the hosting obligation. Additional consideration for some partner contracts varies based on the level of customer activity on the platform. We have determined we meet the variable consideration allocation exception and therefore recognize these variable fees in the period they are earned.

Judgment is required to determine the SSP for each distinct performance obligation. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The primary method used to estimate SSP is the expected cost-plus margin approach, which considers margins achieved on standalone sales of similar products, market data related to historical margins within an industry, industry sales price averages, market conditions, and profit objectives.

2. Summary of significant accounting policies (continued)

Cost of revenue

Cost of revenue consists primarily of personnel-related costs, including: stock-based compensation expenses for customer support and professional services personnel; costs of maintaining and securing our infrastructure and platform; amortization expense associated with capitalized internal-use software; and allocation of overhead costs.

Deferred revenue

Deferred revenue primarily consists of amounts that have been billed to or received from customers in advance of performing the associated services. We recognize revenue from deferred revenue when the services are performed and the corresponding revenue recognition criteria are met.

The net decrease in the deferred revenue balance for the year ended December 31, 2019 and the three months ended March 31, 2020 (unaudited) is primarily due to the recognition of revenue related to a large upfront payment on a multi-year arrangement that was entered into in prior years. Amounts recognized from deferred revenue represent primarily revenue from the sale of subscription solutions, integration, and marketing services.

As of December 31, 2019, we had \$47.8 million of remaining performance obligations, which represents contracted revenue minimums that have not yet been recognized, including amounts that will be invoiced and recognized as revenue in future periods. We expect to recognize approximately 60% of the remaining performance obligations as revenue in the next 12 months, and the remaining balance in the periods thereafter.

As of March 31, 2020 (unaudited), we had \$66.2 million of remaining performance obligations, which represents contracted revenue minimums that have not yet been recognized, including amounts that will be invoiced and recognized as revenue in future periods. We expect to recognize approximately 53% of the remaining performance obligations as revenue in the next 12 months, and the remaining balance in the periods thereafter.

Deferred commissions

Certain sales commissions earned by our sales force are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions are not paid on subscription renewals. We amortize deferred sales commissions ratably over the estimated period of our relationship with customers of approximately four years. Based on historical experience, we determine the average life of our customer relationship by taking into consideration our customer contracts and the estimated technological life of our platform and related significant features. We include amortization of deferred commissions in Sales and marketing expense in the consolidated statements of operations. We periodically review the carrying amount of deferred commissions to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred costs. We did not recognize an impairment of deferred commissions during the years ended December 31, 2018 and December 31, 2019 or the three months ended March 31, 2019 and 2020 (unaudited).

Sales commissions of \$2.0 million and \$2.5 million were deferred for the years ended December 31, 2018 and 2019, respectively; and deferred commission amortization expense was \$1.2 million and \$1.6 million for the years ended December 31, 2018 and 2019, respectively. Sales commissions of \$0.7 million and \$0.7 million were deferred for the three months ended March 31, 2019 and 2020 (unaudited), respectively; and deferred commission amortization expense was \$0.4 million and \$0.5 million for the three months ended March 31, 2019 and 2020 (unaudited), respectively.

2. Summary of significant accounting policies (continued)

Advertising costs

We expense advertising costs as incurred. Advertising expenses were approximately \$8.9 million and \$11.8 million for the years ended December 31, 2018 and 2019, respectively. Advertising costs were \$2.7 million and \$2.6 million for the three months ended March 31, 2019 and 2020 (unaudited), respectively.

Leases

We determine if an arrangement is a lease or contains a lease at inception. At the commencement date of a lease, we recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The lease liability is measured at the present value of lease payments over the lease term. As our leases typically do not provide an implicit rate, we use our incremental borrowing rate for most leases. The right-of-use (“ROU”) asset is measured at cost, which includes the initial measurement of the lease liability and initial direct costs incurred and excludes lease incentives.

Lease terms may include options to extend or terminate the lease. We record a ROU asset and a lease liability when it is reasonably certain that we will exercise that option. Operating lease costs are recognized on a straight-line basis over the lease term.

We also lease office space under short-term arrangements and have elected not to include these arrangements in the ROU asset or lease liabilities.

Income taxes

We account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax balances are adjusted to reflect tax rates based on currently enacted tax laws, which will be in effect in the years in which the temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the results of operations in the period of the enactment date. A valuation allowance is recorded to reduce the carrying amounts of deferred tax assets unless it is more likely than not that those assets will be realized. To date, we have provided a valuation allowance against all of our deferred tax assets as we believe the objective and verifiable evidence of our historical pretax net losses outweighs any positive evidence of its forecasted future results. We will continue to monitor the positive and negative evidence, and we will adjust the valuation allowance as sufficient objective positive evidence becomes available.

We account for uncertain tax positions in accordance with ASC 740, “Income Taxes”, which clarifies the accounting for uncertainty in tax positions. These provisions require recognition of the impact of a tax position in our financial statements only if that position is more likely than not of being sustained upon examination by taxing authorities, based on the technical merits of the position. Any interest and penalties related to uncertain tax positions will be reflected as a component of income tax expense.

Stock-based compensation

Stock-based compensation is measured at the date of grant and is recognized on a straight-line basis over the service period, net of estimated forfeitures. We use the Black-Scholes option-pricing model to estimate the fair value of stock options awarded at the date of grant.

2. Summary of significant accounting policies (continued)

Accounting pronouncements

In February 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. In July 2018, the FASB issued ASU 2018-10, *Codification Improvements to Topic 842 (Leases)*, which provides narrow amendments to clarify how to apply certain aspects of the new lease standard. In July 2018, the FASB also issued ASU 2018-11, *Targeted Improvements*, which provides the option to adopt ASU No. 2016-02 retrospectively for each prior period presented or as of the adoption date with a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. In January 2019, the FASB issued ASU No. 2019-01, “Leases (Topic 842): Codification Improvements” to clarify the required disclosures of ASU No 2016-02 and explicitly exempt entities from disclosing the effect of the change for the interim period. We adopted the standard effective January 1, 2019 and elected the package of practical expedients permitted under the transition guidance with Topic 842, which among other things, allows us to carry forward the historical lease classification and the practical expedient to not separate lease and non-lease components of an agreement. Adoption of the new standard resulted in the recording of Right-of-Use (“ROU”) assets and lease liabilities of approximately \$8.8 million and \$11.0 million, respectively as of January 1, 2019. The difference between the ROU asset and lease liabilities is the derecognition of deferred rent and tenant improvement allowances at the date of adoption. The standard had no impact on our consolidated statements of operations. See Note 6 for more information.

In June 2018, the FASB Issued ASU 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*, which expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. The new guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The adoption of this standard on January 1, 2020 did not have a material impact on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments – Credit Losses (Topic 326)” which modifies the measurement of expected credit losses of certain financial instruments. Credit losses on trade and other receivables, available-for-sale debt securities, and other instruments will reflect our current estimate of the expected credit losses and will generally result in the earlier recognition of allowance for losses. The new guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. The adoption of the new standard resulted in the recording of a cumulative-effect adjustment to accumulated deficit of \$0.4 million on January 1, 2020. We will continue to actively monitor the impact of the recent COVID-19 pandemic on expected credit losses.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40)*, which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). We adopted this guidance on January 1, 2020 on a prospective basis, which did not result in a material impact to our consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, “Income Taxes (Topic 740) Simplifying the Accounting for Income Taxes,” as part of its initiative to reduce complexity in the accounting standards. The amendments in ASU 2019-12 eliminate certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. ASU 2019-12 also clarifies and simplifies other aspects of the accounting for income taxes. Although the amendments in ASU 2019-12 become effective for fiscal years beginning after December 15, 2020, we elected to early adopt the ASU as of January 1, 2019 on a prospective basis. There is no material tax impact of the early adoption of ASU 2019-12 on our financial position and results of operations.

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3. Cash equivalents and marketable securities

The following table summarizes the estimated fair value of our cash equivalents and marketable securities:

<i>(in thousands)</i>	December 31, 2018			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash equivalents:				
Money market funds	\$ 3,755	\$ -	\$ -	\$ 3,755
Reverse repurchase agreements	3,000	-	-	3,000
Total cash equivalents	<u>\$ 6,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,755</u>
Marketable securities:				
Commercial paper	\$ 8,961	\$ -	\$ -	\$ 8,961
Corporate securities	14,420	-	(14)	14,406
Total marketable securities	<u>\$ 23,381</u>	<u>\$ -</u>	<u>\$ (14)</u>	<u>\$ 23,367</u>

We did not have any cash equivalents or marketable securities as of December 31, 2019 and March 31, 2020 (unaudited).

4. Fair value measurements

Financial instruments carried at fair value include cash and cash equivalents, restricted cash, marketable securities, and embedded put options separated from the 2020 Convertible Term Loan. The carrying amount of accounts receivable, accounts payable, and accrued liabilities approximate fair value due to their relatively short maturities.

For assets and liabilities measured at fair value, fair value is the price to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. When determining fair value, we consider the principal or most advantageous market in which it would transact, and assumptions that market participants would use when pricing asset or liabilities.

The accounting standard for fair value establishes a fair value hierarchy based on three levels of inputs, the first two of which are considered observable and the last unobservable. The standard requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels of inputs that may be used to measure fair value are as follows:

- Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 – Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Inputs are unobservable that are significant to the fair value of the asset or liability and are developed based on the best information available in the circumstances, which might include our data.

The fair value of debt was measured using Level 2 inputs and approximated its carrying value.

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4. Fair value measurements (continued)

The following table summarizes the estimated fair value of our cash equivalents and marketable securities:

<i>(in thousands)</i>	As of December 31, 2018			
	(Level 1)	(Level 2)	(Level 3)	Total
Financial assets:				
Money market funds	\$ 3,755	\$ -	\$ -	\$ 3,755
Reverse repurchase agreements	-	3,000	-	3,000
Commercial paper	-	8,961	-	8,961
Corporate securities	-	14,406	-	14,406
Total financial assets	<u>\$ 3,755</u>	<u>\$ 26,367</u>	<u>\$ -</u>	<u>\$ 30,122</u>

We did not have any cash equivalents or marketable securities as of December 31, 2019 and March 31, 2020 (unaudited).

As of the date of issuance of the Convertible Loan, we valued an embedded lenders' put option that was bifurcated from the 2020 Convertible Loan. In accordance with accounting guidance, the put option is required to be reported at fair value and any changes in fair value are recognized as a gain or loss in our consolidated statements of operations. The fair value of this financial instrument was measured using Level III inputs, including the fair market value of our common stock and the probability of various expected exit events. This instrument was initially valued at \$4.4 million upon issuance and deemed to have no value at March 31, 2020 (unaudited). The change in fair value resulted in a gain of \$4.4 million for the three months ended March 31, 2020 (unaudited).

5. Property and equipment

Property and equipment, which includes software purchased or developed for internal use, is composed of the following:

<i>(in thousands)</i>	As of December 31,		As of March 31,
	2018	2019	2020 (Unaudited)
Computer software	\$ 1,193	\$ 1,788	\$ 1,884
Computer equipment	5,309	6,816	7,140
Furniture and fixtures	1,549	2,198	2,299
Leasehold improvements	5,235	7,834	7,911
	13,286	18,636	19,234
Less: accumulated depreciation and amortization	(8,055)	(10,395)	(11,303)
Property and equipment, net	<u>\$ 5,231</u>	<u>\$ 8,241</u>	<u>\$ 7,931</u>

Depreciation expense on property and equipment was \$1.8 million and \$2.6 million during 2018 and 2019, respectively. Depreciation expense on property and equipment was \$0.5 million and \$0.9 million for the three months ended March 31, 2019 and 2020 (unaudited), respectively.

6. Commitments, contingencies, and leases

We had unconditional purchase obligations as of December 31, 2019, as follows:

<i>(in thousands)</i>		
2020	\$	2,603
2021		6,587
2022		4,333
2023 and thereafter		-
Total	\$	<u>13,523</u>

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties, and other sources are recorded when it is probable that a liability has been incurred and that the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. From time to time, we are subject to various claims that arise in the normal course of business. In the opinion of management, we are unaware of any pending or unasserted claims that would have a material adverse effect on our financial position, liquidity, or results.

Certain executive officers are entitled to payments in the event of termination of employment in connection with a certain change in control.

Our certificate of incorporation and certain contractual arrangements provide for indemnification of our officers and directors for certain events or occurrences. We maintain a directors and officers insurance policy to provide coverage in the event of a claim against an officer or director. Historically, we have not been obligated to make any payments for indemnification obligations, and no liabilities have been recorded for these obligations on the consolidated balance sheets as of December 31, 2018 and 2019 or March 31, 2020 (unaudited).

Leases

We lease certain facilities under operating lease agreements that expire at various dates through 2028. Some of these arrangements contain renewal options and require us to pay taxes, insurance and maintenance costs. Renewal options were not included in the ROU asset and lease liability calculation.

We adopted ASC Topic 842, Leases, on January 1, 2019. Operating and short-term rent expenses were \$0.7 million and \$0.8 million and short-term rent expenses were \$0.1 million and \$0.1 million for the three months ended March 31, 2019 and 2020 (unaudited), respectively. Operating rent expense was \$3.2 million and \$0.3 million, respectively, for the year ended December 31, 2019. Operating rent expense was \$2.5 million for the year ended December 31, 2018.

We elected the practical expedient to not provide comparable presentation for periods prior to adoption.

[Table of Contents](#)**6. Commitments, contingencies, and leases (continued)****Supplemental lease information**

<i>Cash flow information (in thousands)</i>	Year ended	Three months ended	
	December 31,	March 31,	
	2019	2019	2020
		(Unaudited)	
Cash paid for operating lease liabilities	\$ 3,224	\$ 500	\$ 871
Right-of-use assets obtained in exchange for operating lease obligations	\$ 2,714	\$ —	\$ —

<i>Operating lease information</i>	Year ended	Three months ended	
	December 31,	March 31,	
	2019	2019	2020
		(Unaudited)	
Weighted-average remaining lease-term	6.8 years	7.69 years	6.74 years
Weighted-average discount rate	5.50%	5.50%	5.52%

The future maturities of operating lease liabilities are as follows:

<i>(in thousands)</i>	December 31,	March 31,
	2019	2020
		(Unaudited)
2020	\$ 3,643	\$ 2,755
2021	3,903	3,853
2022	3,037	2,984
2023	2,459	2,403
2024	2,227	2,194
Thereafter	6,934	6,932
Total minimum lease payments	\$ 22,203	\$ 21,121
Less imputed interest	(3,780)	(3,538)
Total lease liabilities	\$ 18,423	\$ 17,583

7. Other liabilities

The following table summarizes the components of other current liabilities:

<i>(in thousands)</i>	Year Ended December 31,		March 31,
	2018	2019	2020
			(Unaudited)
Sales tax payable	\$ 1,195	\$ 551	\$ 635
Payroll and payroll related expenses	4,831	6,126	5,520
Other	1,908	3,027	3,241
Other current liabilities	\$ 7,934	\$ 9,704	\$ 9,396

8. Debt**Convertible Term Loan**

On October 27, 2017, we entered into a contingent convertible debt agreement (the “Convertible Term Loan”) with Silicon Valley Bank (“SVB”) providing for a term loan of \$20.0 million. The Convertible Term Loan

8. Debt (continued)

maturity date is October 27, 2022. Interest is calculated on the outstanding principal, with interest payable monthly. The initial interest rate was equal to the prime rate and changes to a rate of prime plus 2.0% on and after January 1, 2020, a rate of prime plus 4.0% on and after January 1, 2021, and a rate of prime plus 6.0% on and after January 1, 2022. The weighted-average effective interest rate was 4.9%, 5.4%, and 6.2% during the years ended December 31, 2018 and 2019 and for the three months ended March 31, 2020 (unaudited), respectively. Quarterly principal payments of \$125 thousand are due and payable from June 1, 2018 through maturity. As of December 31, 2018, and 2019 and March 31, 2020 (unaudited), we had \$19.6 million, \$19.1 million, and \$19.0 million outstanding under the Convertible Term Loan, respectively.

The conversion feature grants the bank rights to convert part or all of the outstanding principal, plus accrued and unpaid interest into shares of Series F preferred stock at a conversion price of \$3.059 per share. The conversion rights may be exercised at the lenders' option in the event of a change of control, initial public offering, or when the note matures. The Convertible Term Loan also provides lenders rights to purchase Series F preferred stock at \$3.059 per share in an aggregate amount of principal previously repaid. The conversion rights and the purchase rights expire after the Convertible Term Loan's maturity date.

On February 28, 2020 we entered into a contingent convertible term loan (the "2020 Convertible Loan") with SVB, providing for a convertible term loan in an amount of \$35.0 million. The 2020 Convertible Loan matures on February 28, 2025. Interest is calculated on the outstanding principal, with interest payable monthly. The 2020 Convertible Term Loan bears interest at (a) 4.5% prior to January 1, 2022, (b) 6.5% from January 1, 2022 and prior to January 1, 2023, (c) 8.5% from January 1, 2023 and prior to January 1, 2024, and (d) 10.5% from and after January 1, 2024. Principal payments are not due until maturity. As of March 31, 2020 (unaudited), we had \$35.0 million outstanding under the 2020 Convertible Loan.

The conversion feature grants the bank rights to convert part or all of the outstanding principal, plus accrued and unpaid interest into shares of common stock at a conversion price of \$3.80 per share, which was adjusted to \$11.40 per share as a result of the one-for-three reverse stock split effected on July 24, 2020. The conversion rights may be exercised at the lenders' option in the event of a change of control, initial public offering, or when the note matures. In addition to the conversion shares on the outstanding principal, this instrument requires a deficiency payment if the value of the conversion shares does not meet an applicable required minimum return of (a) 1.25 if converted within 18 months of the agreement, (b) 1.32 if converted between 18 months and 24 months, and (c) 1.55 if converted between 24 months and maturity. The deficiency payment, at the election of the holder, will be settled either (i) by issuance of additional shares of common stock equal to the difference between the minimum return and the conversion value or (ii) in cash in a single installment in the amount of such difference.

Management determined that the required minimum return as defined above represented, in substance, an embedded lenders' put option designed to provide the investor with a fixed monetary amount, settleable in either additional shares or cash. Management determined that this put option should be separated and accounted for as a derivative primarily because the put option met the net settlement criterion and the settlement provisions were not consistent with a fixed-for-fixed equity instrument.

The put option, with a fair value of approximately \$4.4 million, was initially recorded as a derivative liability on the accompanying balance sheet and a corresponding discount to the 2020 convertible term loan. The discount will be accreted to interest expense on the consolidated statement of operations over the term of the 2020 convertible term loan using the effective interest method. We recorded interest expense of \$0.1 million during the three month period ended March 31, 2020 (unaudited) related to this instrument.

The estimated fair value of the put option was determined using a multi-scenario probability weighted expected return method analysis in which the future probability of exit events was weighted for its respective probability. Key assumptions included time to exit event, fair value of common stock, and a discount rate.

8. Debt (continued)

At March 31, 2020 (unaudited), we determined the put option had no fair value due to an increase in market conditions that would make any amounts due under the redemption feature remote. As a result, we recorded a gain in the amount of \$4.4 million, which was recorded in the accompanying consolidated statements of operations.

Credit Facility

On October 27, 2017, we amended and restated our loan and security agreement (as amended, the “Credit Facility”) with SVB. As of December 31, 2018, the Credit Facility provided a \$20.0 million revolving line of credit (the “Revolving Line”) and a \$5.0 million term loan (the “2018 Term Loan”). On June 4, 2019, we amended the Credit Facility to increase the Revolving Line by \$5.0 million to \$25.0 million.

On February 28, 2020, we amended and restated our loan and security agreement (the “A&R Credit Facility”) with SVB. The A&R Credit Facility reduces the amount available under the Revolving Line by \$5.0 million to \$20.0 million. On September 30, 2020, the amount available under the Revolving Line will be reduced to \$10.0 million. We accounted for this transaction as an extinguishment of debt pursuant to ASC 470-50. We recorded an immaterial loss on extinguishment during the three-month period ended March 31, 2020 (unaudited).

Revolving Line

The Revolving Line has a maturity date of October 27, 2021. The Revolving Line bore interest at a rate equal to the prime rate, and the weighted-average effective interest rate was 5.2%, 5.3%, and 4.8% during the years ended December 31, 2018 and 2019 and for the three months ended March 31, 2020 (unaudited), respectively. Interest is calculated on the outstanding principal and is payable monthly. As of December 31, 2018 and 2019 and March 31, 2020 (unaudited), we had \$3.5 million, \$18.5 million, and \$20.0 million outstanding under the Revolving Line, respectively.

2018 Term Loan

Borrowings from the 2018 Term Loan mature 36 months after each draw. The 2018 Term Loan bore interest at a rate equal to the prime rate plus 0.25% and, the weighted-average effective interest rate was 5.2%, 5.3%, and 5.3% during the years ended December 31, 2018 and 2019, and for the three months ended March 31, 2020 (unaudited), respectively. Interest is calculated on the outstanding principal and is payable monthly. Monthly principal payments commenced on October 1, 2018. The principal amortizes equally from the time of the draw to the maturity date. As of December 31, 2018, and 2019 and March 31, 2020 (unaudited), we had \$1.4 million, \$3.3 million, and \$2.8 million outstanding under the 2018 Term Loan, respectively.

Mezzanine Loan

On February 28, 2020, we entered into a mezzanine loan and security agreement (the “Mezzanine Facility”) with WestRiver Innovation Lending Fund VIII, L.P. (“WestRiver”) providing for a term loan of \$10.0 million. The Mezzanine Facility maturity date is March 1, 2023. Our obligations under the Mezzanine Facility are secured by substantially all of our assets. The Mezzanine Facility contains restrictive covenants, including limits on additional indebtedness, liens, asset dispositions, dividends, investments, and distributions. Borrowings under the Mezzanine Facility bear interest at the greater of (i) 10.0% or (ii) the prime rate then effect plus 5.25%. Interest is calculated on the outstanding principal on a 360-day year basis, payable monthly. As of March 31, 2020 (unaudited), we had no balance outstanding under this agreement.

8. Debt (continued)

Debt fees

Lender fees that were paid upfront to the lenders and debt issuance fees paid to third parties are recorded as a discount from the debt carrying amount and are being amortized to interest expense over the life of the debt. Interest expense related to debt discount amortization was \$0.1 million, \$0.1 million and \$0.02 million for each of the years ended December 31, 2018 and 2019 and the three months ended March 31, 2020 (unaudited). Net unamortized fees as of each of December 31, 2018 and 2019 and March 31, 2020 (unaudited) amounted to \$0.1 million, \$0.1 million, and \$0.9 million.

In connection with debt acquired prior to 2017, we issued warrants to purchase 255 thousand shares of common stock with a weighted-average exercise price of \$4.20 per share. The exercise prices of the warrants range from \$1.65 to \$5.55 per share. Warrants to purchase 17 thousand shares of common stock expire on July 12, 2023, with the remainder expiring on September 30, 2024. The warrant holder may, at any time, exercise the warrants, in whole or in part, by delivering to us the original warrant, together with a duly executed notice of exercise and the exercise price.

Upon issuance of the warrants, we recorded the fair value of the warrants at \$0.5 million. The value of the warrants issued was recorded as a discount on the carrying value of the debt instruments, which was amortized to interest expense over the life of the debt instruments as an adjustment to (increase in) the effective interest rate in prior years.

New warrants

In connection with the Mezzanine Facility, we issued warrants to purchase up to 100 thousand shares of common stock with an exercise price of \$9.21 per share with the warrants expiring on March 1, 2023. The warrant can be exercised for half of the shares upon closing, and the remaining half upon funding.

Upon issuance of the warrants, we recorded the fair value of the first tranche of warrants at \$0.3 million. The value of the warrants issued was recorded as a discount on the carrying value of the debt instruments, which was amortized to interest expense over the life of the debt instruments as an adjustment to (increase in) the effective interest rate.

Advances under the Credit Facility are collateralized by all of our assets. The Credit Facility includes two financial covenants. One requires us to maintain a revenue growth rate of 110% each quarter compared to the same quarter in the prior year. The other covenant requires us to maintain a minimum of \$10 million in cash plus available amounts under the Credit Facility. We were in compliance with all covenants as of December 31, 2019.

In conjunction with our entry into the A&R Credit Facility, our financial covenants were amended. We are required to maintain a revenue growth rate of 118% each quarter compared to the same quarter in the prior year. The other covenant requires us to maintain a minimum liquidity ratio of 1.5:1. The liquidity ratio is calculated as unrestricted and unencumbered cash plus sixty percent of net accounts receivable to balance outstanding under the Revolving Line. We were in compliance with all covenants as of March 31, 2020 (unaudited).

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8. Debt (continued)

The maturities of debt are as follows:

<i>(in thousands)</i>	December 31, 2019	March 31, 2020 <i>(Unaudited)</i>
2020	\$ 2,394	\$ 2,394
2021	20,431	21,456
2022	18,125	18,000
2023	-	-
2024 and thereafter	-	35,000
Total debt	\$ 40,950	\$ 76,850
Less:		
Current portion	\$ (2,363)	\$ (2,215)
Discount on long-term debt	\$ (85)	\$ (5,144)
Noncurrent portion of debt	<u>38,502</u>	<u>69,491</u>

9. Stockholders' equity (deficit)

2013 Stock Plan

In February 2013, we established the 2013 Stock Option Plan (the "2013 Plan"). Pursuant to the 2013 Plan, the exercise price for incentive stock options is at least 100% of the fair market value on the date of grant, or for employees owning in excess of 10% of the voting power of all classes of stock, 110% of the fair market value on the date of grant.

Options expire ten years from the date of grant, or for employees owning in excess of 10% of the voting power of all classes of stock, five years for incentive stock options. The term of each option shall not be more than ten years from the date of grant thereof, except the term of each Incentive Stock Option shall not be more than five years from the date of grant thereof in the case of any participant who owns directly, or by attribution shares possessing, more than 10% of the total combined voting power of all classes of our shares or shares of any parent or subsidiary corporations. Vesting periods are determined by the board of directors; however, options generally vest 25% one year after the date of grant, with the remaining balance vesting on a pro rata basis monthly for 36 months.

As of December 31, 2019, the total number of shares reserved for issuance under the 2013 Plan was 9,596, of which 9,327 shares were subject to outstanding option awards. As of March 31, 2020 (unaudited), the total number of shares reserved for issuance under the 2013 Plan was 12,580 shares, of which 9,747 shares were subject to outstanding option awards.

Stock options

We use the Black-Scholes option-pricing model to estimate the fair value of our share-based payment awards. The Black-Scholes option-pricing model requires estimates regarding the risk-free rate of return, dividend yields, expected life of the award, and estimated forfeitures of awards during the service period. The calculation of expected volatility is based on historical volatility for comparable industry peer groups over periods of time equivalent to the expected life of each stock option grant. As we are not publicly traded, we believe that comparable industry peer groups provide a reasonable measurement of volatility in order to calculate a reasonable estimate of fair value of each stock award. The expected term is calculated based on the weighted average of the remaining vesting term and the remaining contractual life of each award. We based the estimate of risk-free rate on the U.S. Treasury yield curve in effect at the time of grant or modification. We have never paid cash dividends and do not currently intend to pay cash dividends, and thus have assumed a dividend yield of zero.

9. Stockholders' equity (deficit) (continued)

We estimate the fair value of common stock at the time of grant of the option by considering a number of objective and subjective factors, including independent third-party valuations of our common stock, operating and financial performance, the lack of liquidity of capital stock, and general and industry-specific economic outlook, among other factors.

We estimate potential forfeitures of stock grants and adjust compensation cost recorded accordingly. The estimate of forfeitures will be adjusted over the requisite service period to the extent that actual forfeitures differ, or are expected to differ, from such estimates. Changes in estimated forfeitures will be recognized through a cumulative catch-up adjustment in the period of change and will also impact the amount of stock compensation expense to be recognized in future periods.

The following table summarizes the weighted-average grant date value of options and the assumptions used to develop their fair value.

	Year ended December 31,				Three months ended March 31	
	2018		2019		2020	
Weighted-average grant date fair value of options	\$	0.42	\$	1.20	\$	1.44
Risk-free interest rate	2.43% - 3.09%		1.51% - 2.53%		.74% - .84%	
Expected volatility	47.22% - 49.13%		46.70% - 47.87%		49.64% - 49.99%	
Expected life in years	5.00 - 6.08 years		5.52 - 6.08 years		5.49 - 6.10 years	
Dividend yield	-		-		-	

A summary of the changes in common stock options issued under all of the existing stock option plans is as follows:

<i>(in thousands, except per share amounts)</i>	Shares	Weighted Average of Exercise Prices	Weighted Average of Remaining Term (years)	Aggregate Intrinsic Value
Options outstanding at December 31, 2017	6,444	\$ 0.66	8.36	\$ 8,019
Granted	4,655	2.76	-	-
Exercised	(1,386)	0.45	-	-
Forfeited	(707)	1.29	-	-
Options outstanding at December 31, 2018	9,006	\$ 1.71	8.60	\$ 13,327
Granted	2,266	3.45	-	-
Exercised	(1,099)	1.17	-	-
Forfeited	(846)	1.98	-	-
Options outstanding at December 31, 2019	9,327	\$ 2.22	8.17	\$ 65,294
Vested and expected to vest at December 31, 2019 ⁽¹⁾	8,588	\$ 2.10	8.04	\$ 61,144
Vested at December 31, 2019	3,699	\$ 1.35	7.08	\$ 29,092
Granted (unaudited)	999	\$ 9.21	-	-
Exercised (unaudited)	(448)	2.61	-	-
Forfeited (unaudited)	(131)	2.97	-	-
Options outstanding at March 31, 2020 (unaudited)	9,747	\$ 2.97	8.18	\$ 60,899
Vested and expected to vest at March 31, 2020 ⁽¹⁾ (unaudited)	8,856	\$ 2.85	8.10	\$ 56,119
Vested at March 31, 2020 (unaudited)	3,936	\$ 1.53	7.14	\$ 30,226

9. Stockholders' equity (deficit) (continued)

(1) The expected-to-vest options are the result of applying the pre-vesting forfeiture rate to outstanding options.

The total intrinsic value of options exercised during the years ended December 31, 2018 and 2019 was \$2.6 million and \$5.6 million, respectively. The intrinsic value was calculated as the difference between the estimated fair value of our common stock at exercise, as determined by the board of directors, and the exercise price of the in-the-money options. The weighted-average grant date fair value of options granted during the years ended December 31, 2018 and 2019 was \$6.3 million and \$8.1 million, respectively.

At December 31, 2018 and 2019, there was an estimated \$6.2 million and \$9.4 million, respectively, of total unrecognized compensation costs related to stock-based compensation arrangements. These costs will be recognized over a weighted-average period of three years.

Total stock-based compensation expense recognized was as follows:

<i>(in thousands)</i>	Year ended December 31,		Three months ended March 31,	
	2018	2019	2019	2020
Cost of revenue	\$ 82	\$ 191	\$ 22	\$ 73
Sales and marketing	388	838	133	289
Research and development	432	666	71	305
General and administrative	1,169	1,461	369	359
Total stock-based compensation expense	<u>\$ 2,071</u>	<u>\$ 3,156</u>	<u>\$ 595</u>	<u>\$ 1,026</u>

Preferred stock

As of December 31, 2019 and March 31, 2020 (unaudited), the holders of preferred stock ("Series A Stock," "Series B Stock," "Series C Stock," "Series D Stock," "Series D-1 Stock," "Series E Stock," "Series E-1 Stock," and "Series F Stock") have various rights and preferences as follows:

<i>(in thousands)</i>	Shares authorized	Shares outstanding	Shares outstanding as converted to common stock	Liquidation amounts
Series A Stock	15,000	15,000	\$ 5,000	\$ 15,000
Series B Stock	10,611	10,611	3,537	20,116
Series C Stock	16,393	16,393	5,604	40,000
Series D Stock	14,451	14,451	5,082	50,000
Series D-1 Stock	1,445	1,445	508	5,000
Series E Stock	20,307	20,307	6,769	39,000
Series E-1 Stock	195	195	65	400
Series F Stock	23,628	23,628	7,877	68,662
Total Preferred Stock	<u>102,030</u>	<u>102,030</u>	<u>\$ 34,442</u>	<u>\$ 238,178</u>

Dividends

Holders of Series F Stock are entitled to receive cumulative dividends. Dividends on shares of Series F Stock (the "Series F Dividend") accrue on a daily basis and compound quarterly at a per annum rate of 10% of the Series F

9. Stockholders' equity (deficit) (continued)

Stock original issue price of \$2.7086 per share (the "Series F Original Issue Price"). Except for the limited instances identified in our currently effective amended and restated certificate of incorporation with respect to the Series F Stock, we have no obligation to pay any dividends, except when, as and if declared by the board of directors. No dividends on any share of other series of preferred stock or common stock can be paid until the full Series F Dividend then accrued has been paid in full. In the event that the holders of Series F Stock receive proceeds per share of Series F Stock as a result of any deemed liquidation event or any conversion to common stock at the option of the holder or a mandatory conversion event of at least: (a) \$6.7715 per share of Series F Stock, then the Series F Dividend shall be reduced from 10% to 9% per annum effective as of the date of issuance, or (b) \$8.1258, then the Series F Dividend shall be reduced from 10% to 8% per annum effective as of the date of issuance. As of December 31, 2019, we accrued \$11.9 million of dividends for holders of our Series F Stock, or \$0.50 per share. As of March 31, 2020 (unaudited) we accrued \$13.6 million of dividends for holders of our Series F Stock or \$0.58 per share.

Holders of all other series of preferred stock are entitled to participate in dividends on common stock when, as and if declared by the board of directors, based on the number of shares of common stock held on an as-converted basis. From our inception through December 31, 2019, our board of directors had not declared any dividends.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution, winding up or deemed liquidation event, the holders of each series of preferred stock are entitled to be paid out of our assets available for distribution to our stockholders before any payment shall be made to the holders of our common stock in the following order: (i) first, the holders of shares of Series F Stock, an amount equal to the Series F Original Issue Price, plus any dividends (other than the Series F Dividend) declared but unpaid, (ii) second, to the holders of Series E Stock and Series E-1 Stock, an amount equal to the Series E Stock original issue price of \$1.9242 per share, plus any dividends declared but unpaid thereon, (iii) third, to the holders of Series D Stock and Series D-1 Stock, an amount equal to the Series D Stock original issue price of \$3.46 per share, plus any dividends declared but unpaid thereon, (iv) fourth, to the holders of Series A Stock, Series B Stock and Series C Stock, *pari passu* amongst one another, an amount equal to the Series A Stock original issue price of \$1.00 per share, Series B Stock original issue price of \$1.8896 per share, and Series C Stock original issue price of \$2.44 per share, respectively, in each case, plus any dividends declared but unpaid thereon, (v) fifth, any accrued but unpaid Series F Dividends, and (vi) to the holders of all other series of our preferred stock, *pari passu* among one another, in an amount equal to (A) the original issue price for such series of preferred stock times (B) 50%. Other than in connection with a deemed liquidation event, the preferred stock is not redeemable by us without the consent of the stockholders.

Conversion

Each share of preferred stock (other than the Series D-1 Stock and Series E-1 Stock, which are subject to restrictions regarding conversion) shall be convertible, at the option of the holder thereof, at any time, and without the payment of additional consideration by the holder thereof, into such number of fully paid shares of common stock as is determined by dividing the original issue price for such series of preferred stock by the applicable conversion price for such series of preferred stock in effect at the time of conversion. The Series A and Series B are mandatorily convertible upon the election of the holders of a majority of such shares voting together on an as converted to common stock basis. The Series C is mandatorily convertible upon the election of the holders of a majority of such shares. The Series D is mandatorily convertible upon the election of the holders of a majority of such shares. The Series E is mandatorily convertible upon the election of the holders of at least 60% of such shares. The Series F is mandatorily convertible upon the election of the holders of a majority of

9. Stockholders' equity (deficit) (continued)

such shares. In addition, all shares of preferred stock (other than the Series D-1 Stock and Series E-1 Stock) are mandatorily convertible upon the sale of shares of common stock to the public in a firm commitment underwritten public offering of our common stock resulting in (a) at least \$50 million in net proceeds (after the underwriting discount and commissions) to us and (b) a price per share that yields (including the payment of the Series F Dividend) an implied value per share of Series F Preferred Stock issued on the original issue date of the Series F of at least \$4.0629 (such offering, a "Qualified IPO"). The conversion price per share applicable to: (i) the Series A Stock shall initially be equal to \$1.00, (ii) the Series B Stock shall initially be equal to \$1.8896, (iii) the Series C Stock shall initially be equal to \$2.3793, (iv) the Series D Stock and Series D-1 Stock shall initially be equal to \$3.2794, (v) the Series E Stock and Series E-1 Stock shall initially be equal to \$1.9242, and (vi) the Series F Stock shall initially be equal to \$2.7086. On July 24, 2020, concurrently with the effectiveness of the one-for-three reverse stock split of our common stock, the conversion prices applicable to our preferred stock were adjusted proportionately in accordance with our certificate of incorporation. Additionally, upon a mandatory conversion, we shall pay to the holders of Series F Stock, an amount per share of Series F Stock equal to the Series F Dividend or a number of additional shares of non-voting common stock per share of Series F Stock equal to the Series F Dividend based on the price of the common stock in the Qualified IPO. No fractional common stock shall be issued upon conversion of Preferred Stock. The Series C Stock, Series D Stock, and Series D-1 Stock is currently convertible into common stock on a greater than one-to-one basis.

Voting

Holders of preferred stock are entitled to voting rights equal to holders of common stock, except for holders of Series D-1 Stock, Series E-1 Stock, and Series F Stock held by certain non-voting holders and except as otherwise provided in the amended and restated certificate of incorporation and our voting agreement with certain of our stockholders. The Series F Stock held by Goldman Sachs & Co. LLC will convert to voting shares upon sale or transfer to a third party. A majority of the outstanding shares of preferred stock is necessary for approving certain protective provisions in the amended and restated certificate of incorporation. In addition, the holders of each series of preferred stock have protective provisions which require approval from a majority of the outstanding shares of such series.

Redemption

Series F Stockholders are allowed to request redemption of their shares on the earlier of: (i) the five-year anniversary of the original issue date of the Series F Stock or (ii) the consummation of an initial public offering of our capital stock that is not a Qualified IPO.

Our merger or consolidation into another entity in which our stockholders own less than 50% of the voting stock of the surviving company or the sale, transfer or lease of substantially all of our assets shall be deemed a liquidation, dissolution or winding up, and, as a result, a redemption event. As the redemption event is outside of our control, all shares of preferred stock have been presented outside of permanent equity. We have also concluded that since the shares of preferred stock are not mandatorily redeemable, but rather are only contingently redeemable, and given that the redemption event is not certain to occur, the shares have not been accounted for as a liability in any of the periods presented.

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Pretax earnings from continuing operations consist of the following:

<i>(in thousands)</i>	Year Ended December 31,	
	2018	2019
United States	\$ (38,471)	\$ (38,720)
Non-U.S.	(397)	(3,842)
Total pre-tax earnings	\$ (38,868)	\$ (42,562)

Our components of the provision for income taxes are as follows:

<i>(in thousands)</i>	Year Ended December 31,	
	2018	2019
Income tax provision (benefit)		
Current:		
Federal	\$ -	\$ -
State	10	25
Foreign	-	3
Total current	\$ 10	\$ 28
Deferred:		
Federal	-	-
State	-	-
Foreign	-	-
Total deferred	-	-
Total provision (benefit)	\$ 10	\$ 28

Our provision for income taxes attributable to continuing operations differs from the expected tax expense (benefit) amount computed by applying the U.S. statutory federal income tax rate of 21% to income from continuing operations before income taxes. The variance is a result of the application of a valuation allowance for net deferred assets, including NOL carryforwards and credits generated in Australia, the UK, and the United States. Income tax expense for the period is a result of the Texas "Gross Margin" tax in the case of the state tax expense and taxable profits in Ireland and Singapore in the case of the foreign tax expense.

<i>(in thousands)</i>	Year Ended December 31,	
	2018	2019
U.S. federal taxes at statutory rate	21.00%	21.00%
State taxes, net of federal benefit	3.45	3.25
Foreign tax rate differentials	(0.15)	0.33
Research and development credit	(0.46)	3.24
Stock-based compensation	(0.83)	0.38
Permanent differences, other	(1.83)	(3.77)
Change in valuation allowance	(22.30)	(24.50)
Other	1.09	-
Effective tax rate	-0.03%	-0.07%

Our provision for (benefit from) income taxes during the three months ended March 31, 2019 and 2020 (unaudited) was determined using an estimate of our annual effective tax rate, which is adjusted for certain

10. Income taxes (continued)

discrete tax items during the interim period. Our effective tax rate differs from the U.S. federal statutory rate primarily due to the change in valuation allowance related mainly to our net operating loss carryforwards.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. We have evaluated the impact of the CARES Act, and determined that the CARES Act had no material impact to the income tax provision.

The TCJA subjects a U.S. shareholder to current tax on certain earnings of foreign subsidiaries under a provision commonly known as GILTI (global intangible low-taxed income). Under U.S. GAAP, an accounting policy election can be made to either recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years, or to provide for the tax expense related to GILTI in the year the tax is incurred as a period expense only. We have elected to account for GILTI in the year the tax is incurred.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of deferred taxes are as follows:

<i>(in thousands)</i>	December 31,	
	2018	2019
Deferred tax assets:		
Net operating loss and credit carryforwards	\$ 37,274	\$ 36,373
Deferred lease obligation	45	3,854
Deferred revenue	632	871
Depreciation and amortization	9,820	9,144
Share-based compensation	376	682
Other	1,129	702
Gross deferred tax assets	\$ 49,276	\$ 51,626
Valuation allowance	(47,835)	(46,784)
Deferred tax liabilities:		
Capitalized software costs	(351)	(478)
Deferred commission	(645)	(752)
Deferred lease right-of-use asset	-	(2,887)
Prepaid expenses and other	(445)	(725)
Gross deferred tax liabilities	(1,441)	(4,842)
Net deferred tax assets	\$ -	\$ -

At December 31, 2019, we had NOL carryforwards for U.S. federal income tax purposes of approximately \$118.2 million. Of this total, \$69.9 million is related to tax years 2018 and 2019 that do not have an expiration, as a result of the TCJA. The remaining \$48.4 million of U.S. federal NOL carryforwards are available to offset future U.S. federal taxable income and begin to expire in 2036.

At December 31, 2019, we had NOL carryforwards for certain state income tax purposes of approximately \$37.3 million. These state NOL carryforwards are available to offset future state taxable income and begin to expire in 2036.

At December 31, 2019, we had foreign NOL carryforwards in Australia and the U.K., combined, of approximately \$6.9 million, which are available to offset future foreign taxable income and that do not have an expiration.

10. Income taxes (continued)

At December 31, 2019, we did not provide any U.S. income or foreign withholding taxes related to certain foreign subsidiaries' undistributed earnings, as such earnings have been retained and are intended to be indefinitely reinvested. The majority of our foreign operations are in excess tax basis over book basis positions. It is not practicable to estimate the amount of taxes that would be payable upon remittance of these earnings, because such tax, if any, is dependent upon circumstances existing if and when remittance occur.

At December 31, 2019, we had research and development tax credit carryforwards of approximately \$3.9 million, which are available to offset future U.S. federal income tax. These U.S. federal tax credits begin to expire in 2034.

At December 31, 2018 and December 31, 2019, we did not believe it is more likely than not that our net deferred tax assets will be realized. Therefore, we recorded a full valuation allowance with respect to all net deferred tax assets. During 2019, the valuation allowance was decreased by approximately \$1.1 million. Although the U.S. NOL carryforwards increased, which would have also increased the change in the valuation allowance, certain limitations on the foreign NOL carryforwards and tax credits offset the increases and resulted in a net decrease of the valuation allowance. The impact will likely be subject to ongoing technical guidance and accounting interpretation, that we will continue to monitor and assess.

We file U.S. federal, state and foreign income tax returns in jurisdictions with varying statutes of limitations. The 2016 through 2019 tax years generally remain open and subject to examination by U.S. federal, state and foreign tax authorities. The 2016 tax year generally remains open and subject to examination by foreign tax authorities. Losses generated in any year since inception remain open to adjustment until the statute of limitations closes for the tax year in which the NOL carryforwards are utilized. We are not currently under audit in any taxing jurisdictions.

As of December 31, 2019, we had no recorded unrecognized tax benefits that would impact our effective tax rate.

Our practice is to recognize interest and/or penalties related to income tax matters in income tax expense. During 2018 and 2019, we did not recognize any material interest or penalties.

11. Net loss and unaudited pro forma net loss per share

Net loss per share

Basic and diluted net loss per common share is presented in conformity with the two-class method required for participating securities. Holders of Series F preferred stock are entitled to receive cumulative dividends at the annual rate of 10% compounded quarterly payable prior and in preference to any dividends on any shares of our common stock. In the event a dividend is paid on common stock, the holders of preferred stock are entitled to a proportionate share of any such dividend as if they were holders of common stock (on an as-if converted basis). Accordingly, all of our outstanding series of preferred stock are considered to be participating securities. The holders of our preferred stock do not have a contractual obligation to share in our losses; therefore, no amount of total undistributed loss is allocated to preferred stock. Net loss attributable to common stockholders is calculated as net loss less current period preferred stock dividends.

Basic net loss per share attributable to common stockholders is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period. Because we have reported a net loss for 2018 and 2019, the number of shares used to calculate diluted net loss per share of common stock attributable to common stockholders is the same as the number of shares used to calculate basic net loss per share of common stock attributable to common stockholders for the period presented because the potentially dilutive shares would have been antidilutive if included in the calculation.

11. Net loss and unaudited pro forma net loss per share (continued)

The following potentially dilutive securities outstanding have been excluded from the computation of diluted weighted-average shares outstanding because such securities have an antidilutive impact due to losses reported:

<i>(in thousands)</i>	Year ended December 31,		Three months ended March 31,	
	2018	2019	2019	2020
			(Unaudited)	
Preferred stock as-converted	34,442	34,442	34,442	34,442
Stock options outstanding	9,006	9,327	9,039	9,747
Warrants to purchase common stock	352	364	352	411
Convertible debt	2,180	2,180	5,250	5,250
Total potentially dilutive securities	<u>45,980</u>	<u>46,313</u>	<u>49,083</u>	<u>49,850</u>

Unaudited pro forma net loss per share

The following table represents the calculation of pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2019 and the three months ended March 31, 2020:

<i>(in thousands, except per share amounts):</i>	As of December 31, 2019	Three months ended March 31, 2020
Numerator		
Net loss attributable to common stockholders	\$ (49,898)	\$ (5,768)
Pro forma adjustment on cumulative dividends and accretion of issuance costs on Series F preferred stock	\$ 7,308	\$ 1,745
Pro forma adjustment on interest on Convertible Term Loan and 2020 Convertible Term Loan	\$ 1,087	\$ 380
Pro forma net loss attributable to common stockholders	<u>\$ (41,503)</u>	<u>\$ (3,643)</u>
Denominator		
Weighted average number of common shares used to compute basic and diluted net loss per share attributable to common stockholders	17,834	18,645
Pro forma adjustment to reflect assumed conversion of preferred stock	34,442	34,442
Pro forma adjustment to reflect assumed conversion of Convertible Term Loan and 2020 Convertible Term Loan	2,180	3,270
Pro forma adjustment to reflect shares of common stock sold in the IPO to fund cumulative dividends on Series F preferred stock	664	771
Weighted average number of common shares used to compute basic and diluted pro forma net loss per share attributable to Series 1 and Series 2 common stockholders	<u>55,120</u>	<u>57,128</u>
Pro forma net loss attributable to Series 1 and Series 2 common stockholders, basic and diluted	<u>\$ (0.75)</u>	<u>\$ (0.06)</u>

12. Subsequent events

Debt

On February 28, 2020, we amended and restated our loan and security agreement with SVB (the “A&R Credit Facility”). The A&R Credit Facility reduces the amount available under the Revolving Line by \$5.0 million to \$20.0 million. The reduction is effective concurrent with the funding of the 2020 Convertible Loan. On September 30, 2020, the amount available under the Revolving Line will be reduced to \$10.0 million.

The A&R Credit Facility includes two financial covenants that require us to maintain a minimum liquidity ratio of 1.5:1 and minimum recurring revenue growth rate. The liquidity ratio is calculated as unrestricted and unencumbered cash plus sixty percent of net accounts receivable to balance outstanding under the Revolving Line. The minimum recurring revenue covenant requires us to maintain a revenue growth rate of 118% each quarter compared to the same quarter in the prior year.

On February 28, 2020 we entered into a contingent convertible term loan (the “2020 Convertible Loan”) with SVB, providing for a convertible term loan in an amount of \$35.0 million. The 2020 Convertible Loan matures on February 28, 2025. The interest rate for the 2020 Convertible Term Loan is (a) 4.5% prior to January 1, 2022, (b) 6.5% from January 1, 2022 and prior to January 1, 2023, (c) 8.5% from January 1, 2023 and prior to January 1, 2024, and (d) 10.5% from and after January 1, 2024. Interest is calculated on the outstanding principal on a 360-day year basis, payable monthly. Principal payments are not due until maturity. The conversion feature grants the bank rights to convert the outstanding principal, plus accrued and unpaid interest into shares of common stock at a conversion price of \$3.80 per share, which was adjusted to \$11.40 per share as a result of the one-for-three reverse stock split effected on July 24, 2020. The conversion rights may be exercised at the lenders’ option in the event of a change of control, initial public offering, or when the note matures.

On February 28, 2020, we entered into a mezzanine loan and security agreement (the “Mezzanine Facility”) with WestRiver Innovation Lending Fund VIII, L.P. (“WestRiver”) providing for a term loan of \$10.0 million. We have not drawn any amounts under the Mezzanine Facility. The Mezzanine Facility maturity date is March 1, 2023. Our obligations under the Mezzanine Facility are secured by substantially all of our assets. The Mezzanine Facility contains restrictive covenants, including limits on additional indebtedness, liens, asset dispositions, dividends, investments, and distributions. Borrowings under the Mezzanine Facility bear interest at the greater of (i) 10.0% or (ii) the prime rate then in effect plus 5.25%. Interest is calculated on the outstanding principal on a 360-day year basis, payable monthly. In connection with the Mezzanine Facility, we issued to WestRiver a warrant to purchase up to 100 thousand shares of common stock. The warrant can be exercised for half of the shares upon closing, and the remaining half upon funding. The warrant exercise price is \$9.21 per share.

Amended and restated certificate of incorporation

On February 28, 2020, we amended and restated our certificate of incorporation to create two classes of common stock. Series 1 is voting common stock, and Series 2 is non-voting common stock. In the event that the SVB convertible debt facilities convert into our capital stock, and as a result of that conversion SVB would own 5% or more of our outstanding capital stock, SVB would be issued shares of Series 2 non-voting common stock instead of Series 1 voting common stock due to bank holding company regulations. The rights of the holders of Series 1 common stock and Series 2 common stock are identical, except for voting and conversion rights. Each share of Series 1 common stock is entitled to one vote and is not convertible into another class or series of our securities. Series 2 common stock is not entitled to vote, except as required by law, and automatically converts without the payment of additional consideration into Series 1 common stock upon election or transfer by holders of Series 2 common stock in certain circumstances.

13. Subsequent Events (Unaudited)

In May 2020, our board of directors granted an aggregate of 1,216 restricted stock units (“RSUs”) to officers and employees pursuant to the 2013 Plan with a per share fair value of \$15.51. The RSUs vest and settle upon the satisfaction of both a service condition and a liquidity event condition. The service condition for the awards is satisfied over four years. The liquidity event condition is satisfied upon the occurrence of a qualifying event, defined as the effectiveness of an initial public offering or the consummation of a change of control transaction. Beginning with the satisfaction of the liquidity event condition, we expect to record share-based compensation expense for the RSUs using the accelerated attribution method, net of forfeitures, based on the grant date fair value of the RSUs and over the remaining service periods. In aggregate, we expect to recognize approximately \$19 million of expense related to the RSUs, prior to the impact of forfeitures, over a weighted-average requisite service period of approximately four years.

In July 2020, our board of directors granted an aggregate of 319 stock options to employees pursuant to the 2013 Plan with a per share fair value of \$17.34. We will recognize the expense of these stock options over their vesting period of four years. In aggregate, we expect to recognize approximately \$4 million of expense related to these stock options, prior to the impact of forfeitures, over the weighted average requisite vesting period of approximately four years.



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Performance



Low Total Cost of Ownership



PART II - INFORMATION NOT REQUIRED IN PROSPECTUS**Item 13. Other Expenses of Issuance and Distribution**

The following table sets forth the estimated costs and expenses, other than the underwriting discount, payable by us in connection with the sale of the securities being registered hereby. All amounts shown are estimates except the SEC registration fee, the Financial Industry Regulatory Authority, Inc. (“FINRA”) filing fee and the Nasdaq Global Market listing fee.

Expenses of issuance and distribution (in thousands)	Amount to be paid
SEC registration fee	\$ 20,450
FINRA filing fee	24,133
Nasdaq Global Market listing fee	150,000
Transfer agent and registrar’s fees	6,500
Printing and engraving expenses	450,000
Legal fees and expenses	1,900,000
Accounting fees and expenses	1,100,000
Miscellaneous fees and expenses	200,000
Total	<u>\$ 3,851,083</u>

Item 14. Indemnification of Directors and Officers

Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director’s duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for unlawful payment of dividends or unlawful stock purchases or redemptions, or (iv) for any transaction from which the director derived an improper personal benefit. Our amended and restated certificate of incorporation will contain such a provision.

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement in connection with specified actions, suits or proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation — a “derivative action”), if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys’ fees) incurred in connection with defense or settlement of such action, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. Our amended and restated certificate of incorporation will contain such a provision.

We maintain a directors’ and officers’ liability insurance policy indemnifying our directors and officers for certain liabilities incurred by them, including liabilities under the Securities Act and the Exchange Act. We pay the entire premium of this policy.

We intend to enter into indemnification agreements with each of our directors and officers in connection with this offering that provide the maximum indemnity allowed to directors and officers by Section 145 of the Delaware General Corporation Law and which allow for certain additional procedural protections.

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These indemnification provisions and the indemnification agreements may be sufficiently broad to permit indemnification of our officers and directors for liabilities (including reimbursement of expenses incurred) arising under the Securities Act.

In addition, the underwriting agreement filed as Exhibit 1.1 to this registration statement provides for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act. Our Investor Rights Agreement with certain stockholders filed as Exhibit 10.1 to this registration statement also provides for cross-indemnification in connection with the registration of our common stock on behalf of such investors.

Item 15. Recent Sales of Unregistered Securities

Since three years before the date of the initial filing of this registration statement, the registrant has sold the following securities without registration under the Securities Act:

1. On April 19, 2018, we completed the sale of an aggregate of 23,628,441 shares of our Series F preferred stock at a purchase price of \$2.7086 per share for an aggregate purchase price of \$63,999,995.29.
2. Since January 1, 2017, we have granted stock options to purchase an aggregate of 9,740,462 shares of our Series 1 common stock, with exercise prices ranging from \$0.39 to \$17.34 per share, to employees, directors and consultants pursuant to the 2013 Plan. Since January 1, 2017, 2,418,676 shares of our Series 1 common stock have been issued upon the exercise of stock options pursuant to the 2013 Plan.
3. On June 28, 2019, we issued warrants to purchase up to 12,375 shares of our Series 1 common stock, with an exercise price of \$3.27 per share, to Riviera Partners LLC in connection with recruitment services.
4. On February 28, 2020, we issued warrants to purchase up to 49,782 shares of our Series 1 common stock, with an exercise price of \$9.21 per share, to WestRiver Innovation Lending Fund VIII, L.P. in connection with our entry into a Mezzanine Loan and Security Agreement, dated February 28, 2020.
5. On May 27, 2020, we granted an aggregate of 1,215,890 restricted stock units to officers and employees pursuant to the 2013 Plan.

The issuances of the securities described above were deemed to be exempt from registration pursuant to Section 4(a)(2) of the Securities Act or Rule 701 promulgated under the Securities Act as transactions pursuant to compensatory benefit plans. The shares of common stock issued upon the exercise of options or warrants are deemed to be restricted securities for purposes of the Securities Act. No underwriters were involved in any of the sales.

Item 16. Exhibits and Financial Statement Schedules

- (a) **Exhibits.** See the Exhibit Index immediately preceding the signature pages hereto, which is incorporated by reference as if fully set forth herein.
- (b) **Financial Statement Schedules**

None.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

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Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions referenced in Item 14 of this registration statement, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered hereunder, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

- (1) for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

EXHIBIT INDEX

Exhibit Number	Description
1.1	Form of Underwriting Agreement
3.1	Sixth Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect †
3.1.1	First Certificate of Amendment to Sixth Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect
3.2	Form of Seventh Amended and Restated Certificate of Incorporation of the Registrant, to be in effect as of the closing of the offering
3.3	Bylaws of the Registrant, as currently in effect †
3.4	Form of Amended and Restated Bylaws of the Registrant, to be in effect as of the closing of the offering
4.1	Warrant to Purchase Common Stock, dated February 28, 2020, issued by the Registrant to WestRiver Innovation Lending Fund VIII, L.P. †
5.1	Opinion of DLA Piper LLP (US)
10.1	Fourth Amended and Restated Investor Rights Agreement, dated as of April 19, 2018 †
10.2	Fourth Amended and Restated Voting Agreement, dated as of April 19, 2018 †
10.3	Fourth Amended and Restated Right of First Refusal and Co-Sale Agreement, dated as of April 19, 2018 †
10.4	Form of Indemnification Agreement for Officers and Directors (b)
10.5	BigCommerce Holdings, Inc. Amended and Restated 2013 Stock Plan (b)†
10.6	BigCommerce Holdings, Inc. 2020 Equity Incentive Plan (b)
10.7	BigCommerce Holdings, Inc. 2020 Employee Stock Purchase Plan (b)
10.8	Third Amended and Restated Loan and Security Agreement, dated February 28, 2020, by and among Silicon Valley Bank, the Registrant, BigCommerce, Inc., and BigCommerce PTY LTD ACN 107 422 631 †
10.9	Contingent Convertible Debt Agreement, dated October 27, 2017, by and among Silicon Valley Bank, the Registrant, BigCommerce, Inc., and BigCommerce PTY LTD ACN 107 422 631 †
10.10	2020 Contingent Convertible Debt Agreement, dated February 28, 2020, by and among Silicon Valley Bank, the Registrant, BigCommerce, Inc., and BigCommerce PTY LTD ACN 107 422 631 †
10.11	Mezzanine Loan and Security Agreement, dated February 28, 2020, by and among WestRiver Innovation Lending Fund VIII, L.P., the Registrant, BigCommerce, Inc., and BigCommerce PTY LTD ACN 107 422 631 †
10.12	Offer Letter dated May 29, 2015, by and between the Registrant and Brent Bellm (b)†
10.13	Amendment to Offer Letter dated February 12, 2019, by and between the Registrant and Brent Bellm (b)†
10.14	Offer Letter dated May 10, 2018, by and between the Registrant and Lisa Pearson (b)†
10.15	Offer Letter dated September 9, 2016, by and between the Registrant and Brian Dhatt (b)†
10.16	Amendment to Offer Letter dated February 2, 2017, by and between BigCommerce, Inc. and Brian Dhatt (b)†
10.17	Office Lease, dated November 20, 2012, by and between New TPG-Four Points, L.P. and BigCommerce, Inc. (*)†
10.18	First Amendment to Lease, dated February 5, 2018, by and between G&I VII Four Points LP and BigCommerce, Inc. (*)†
10.19	Second Amendment to Lease, dated October 4, 2018, by and between G&I VII Four Points LP and BigCommerce, Inc. (*)†
10.20	PayPal Commerce Platform Global Partner Agreement, dated January 1, 2020, by and among PayPal, Inc., PayPal Pte. Ltd, BigCommerce, Inc., BigCommerce Pty Ltd, BigCommerce UK Ltd, and BigCommerce Software Ireland Limited (^)
21.1	List of Subsidiaries of the Registrant †
23.1	Consent of Independent Registered Public Accounting Firm
23.2	Consent of DLA Piper LLP (US) (included in Exhibit 5.1)
24.1	Power of Attorney (included in signature page) †

† Previously filed.

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- (*) Pursuant to Item 601(a)(5) of Regulation S-K promulgated by the SEC, certain exhibits and schedules to this agreement have been omitted. The Company hereby agrees to furnish supplementally to the SEC, upon its request, any or all of such omitted exhibits or schedules.
- (^) Portions of this exhibit have been omitted as we have determined that the information (i) is not material and (ii) would likely cause competitive harm to us if publicly disclosed.
- (a) To be filed by amendment.
- (b) Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this amendment no. 1 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Austin, State of Texas, on the 28th day of July, 2020.

BIGCOMMERCE HOLDINGS, INC.

By: /s/ Brent Bellm
Name: Brent Bellm
Title: President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this amendment no. 1 to the registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Brent Bellm</u> Brent Bellm	President, Chief Executive Officer, and Director (Principal Executive Officer)	July 28, 2020
<u>/s/ Robert Alvarez</u> Robert Alvarez	Chief Financial Officer (Principal Financial Officer)	July 28, 2020
<u>/s/ Thomas Aylor</u> Thomas Aylor	Vice President, Principal Accounting Officer	July 28, 2020
<u>*</u> Lawrence Bohn	Director	July 28, 2020
<u>*</u> Donald E. Clarke	Director	July 28, 2020
<u>*</u> John T. McDonald	Director	July 28, 2020
<u>*</u> Steven Murray	Director	July 28, 2020
<u>*</u> Jeff Richards	Director	July 28, 2020
<u>*</u> Ellen F. Siminoff	Director	July 28, 2020

*By: /s/ Robert Alvarez
Robert Alvarez
Attorney-In-Fact

[•] Shares

BIGCOMMERCE HOLDINGS, INC.

SERIES 1 COMMON STOCK, PAR VALUE \$0.0001 PER SHARE

UNDERWRITING AGREEMENT

[], 2020

Morgan Stanley & Co. LLC
Barclays Capital Inc.

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

c/o Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

BigCommerce Holdings, Inc., a Delaware corporation (the “**Company**”), proposes to issue and sell to the several Underwriters named in Schedule I hereto (the “**Underwriters**”) [●] shares of its Series 1 common stock, par value \$0.0001 per share (the “**Firm Shares**”). The Company also proposes to issue and sell to the several Underwriters not more than an additional [●] shares of its Series 1 common stock, par value \$0.0001 per share (the “**Additional Shares**”), if and to the extent that Morgan Stanley & Co. LLC (“**Morgan Stanley**”) and Barclays Capital Inc., as representatives of the several Underwriters (the “**Representatives**”) of the offering, shall have determined to exercise, on behalf of the Underwriters, the right to purchase such shares of common stock granted to the Underwriters in Section 2 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the “**Shares**.” The shares of Series 1 common stock, par value \$0.0001 per share (the “**Series 1 Common Stock**”), and the Series 2 common stock, par value \$0.0001 per share, of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the “**Common Stock**.”

The Company has filed with the Securities and Exchange Commission (the “**Commission**”) a registration statement on Form S-1 (File No. 333-239838), including a preliminary prospectus, relating to the Shares. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the “**Securities Act**”), is hereinafter referred to as the “**Registration Statement**”; the prospectus in the form first used to confirm sales of Shares (or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act) is hereinafter referred to as the “**Prospectus**.” If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (a “**Rule 462 Registration Statement**”), then any reference herein to the term “**Registration Statement**” shall be deemed to include such Rule 462 Registration Statement.

For purposes of this Agreement, “**free writing prospectus**” has the meaning set forth in Rule 405 under the Securities Act, “**preliminary prospectus**” shall mean each prospectus used prior to the effectiveness of the Registration Statement, and each prospectus that omitted information pursuant to Rule 430A under the Securities Act that was used after such effectiveness and prior to the execution and delivery of this Agreement, “**Time of Sale Prospectus**” means the preliminary prospectus contained in the Registration Statement at the time of its effectiveness together with the documents and pricing information set forth in Schedule II hereto, and “**broadly available road show**” means a “bona fide electronic road show” as defined in Rule 433(h)(5) under the Securities Act that has been made available without restriction to any person. As used herein, the terms “Registration Statement,” “preliminary prospectus,” “Time of Sale Prospectus” and “Prospectus” shall include the documents, if any, incorporated by reference therein as of the date hereof.

1. *Representations and Warranties.* The Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose or pursuant to Section 8A under the Securities Act are pending before or, to the knowledge of the Company, threatened by the Commission.

(b) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain, as of the date of such amendment or supplement, any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will, as of the date of such amendment or supplement, comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (iii) the Time of Sale Prospectus does not, and at the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers and at the Closing Date (as defined in Section 4), the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iv) each broadly available road show, if any, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (v) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain, as of the date of such amendment or supplement, any untrue

statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein. No free writing prospectus conflicts or will conflict with the information contained in the Registration Statement or the Prospectus, and any preliminary or other prospectus deemed to be a part thereof that has not been superseded or modified.

(c) The Company is not an “ineligible issuer” in connection with the offering pursuant to Rules 164, 405 and 433 under the Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus, if any, that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or, if filed after the effective time of this Agreement, will comply as of the date of such filing, in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing prospectuses, if any, identified in Schedule II hereto, and broadly available road shows, if any, each furnished to the Representatives before first use, the Company has not prepared, used or referred to, and will not, without the Representatives’ prior consent, prepare, use or refer to, any free writing prospectus.

(d) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the State of Delaware, has the corporate power and authority to own or lease its property and to conduct its business as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction (to the extent the concept of good standing is applicable in such jurisdiction) in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing (to the extent the concept of good standing is applicable in such jurisdiction) would not reasonably be expected to, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(e) Each subsidiary of the Company has been duly incorporated, organized or formed, is validly existing as a corporation or other business entity in good standing under the laws of the jurisdiction of its incorporation, organization or formation (to the extent the concept of good standing is applicable in such jurisdiction), has the corporate or other business entity power and authority to own or lease its property and to conduct its business as described in each of the

Registration Statement, the Time of Sale Prospectus and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction (to the extent the concept of good standing is applicable in such jurisdiction) in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing (to the extent the concept of good standing is applicable in such jurisdiction) would not be reasonably expected to, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole; all of the issued shares of capital stock or other equity interests of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims.

(f) This Agreement has been duly authorized, executed and delivered by the Company.

(g) The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(h) The shares of Common Stock outstanding prior to the issuance of the Shares have been duly authorized and are validly issued, fully paid and non-assessable.

(i) The Shares have been duly authorized and, when issued, delivered and paid for in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of the Shares will not be subject to any preemptive or similar rights that have not been validly waived.

(j) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene any provision of (i) applicable law, (ii) the certificate of incorporation or by-laws of the Company, (iii) any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or (iv) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, except, in the cases of clauses (i), (iii) and (iv), as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole, or adversely affect the ability of the Company to perform its obligations under this Agreement, and no consent, approval, authorization or order of, or qualification with, any governmental body, agency or court is required for the performance by the Company of its obligations under this Agreement, except such as have been previously obtained or waived, or may be required by the securities or Blue Sky laws of the various states or foreign jurisdictions or the rules and regulations of the Financial Industry Regulatory Authority (“FINRA”) in connection with the offer and sale of the Shares.

(k) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus.

(l) There are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject (i) other than proceedings accurately described in all material respects in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus and proceedings that would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated by each of the Registration Statement, the Time of Sale Prospectus and the Prospectus or (ii) that are required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus and are not so described in all material respects; and there are no statutes, regulations, contracts or other documents that are required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus or to be filed as exhibits to the Registration Statement that are not described in all material respects or filed as required.

(m) Each preliminary prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(n) The Company is not, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus will not be, required to register as an “investment company” as such term is defined in the Investment Company Act of 1940, as amended.

(o) The Company and each of its subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (“**Environmental Laws**”), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, be reasonably expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(p) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, be reasonably expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(q) Except as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, or validly waived or complied with in connection with the sale of the Shares contemplated hereby, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement.

(r) (i) None of the Company or any of its subsidiaries or controlled affiliates, or any director, officer, or employee thereof, or, to the Company's knowledge, any agent or representative of the Company or of any of its subsidiaries or controlled affiliates, has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment, giving or receipt of money, property, gifts or anything else of value, directly or indirectly, to any government official (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) ("**Government Official**") in order to improperly influence official action, or to any person in violation of any applicable anti-corruption laws; (ii) the Company and each of its subsidiaries and controlled affiliates have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representations and warranties contained herein; and (iii) neither the Company nor any of its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws.

(s) The operations of the Company and each of its subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act

of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and each of its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency having jurisdiction over the Company or any of its subsidiaries (collectively, the “**Anti-Money Laundering Laws**”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(t) (i) None of the Company, any of its subsidiaries, or any director, officer, or employee thereof, or, to the Company’s knowledge, any agent, controlled affiliate or representative of the Company or any of its subsidiaries, is an individual or entity (“**Person**”) that is, or is owned or controlled by one or more Persons that are:

(A) the subject of any sanctions administered or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority (collectively, “**Sanctions**”), or

(B) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Crimea, Cuba, Iran, North Korea and Syria).

(ii) The Company will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(A) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

(B) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) For the past 5 years, the Company and each of its subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not knowingly engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(u) Subsequent to the respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) the Company and its subsidiaries, taken as a whole, have not

incurred any material liability or obligation, direct or contingent, nor entered into any material transaction; (ii) the Company has not purchased any of its outstanding capital stock, other than from employees or other service providers in connection with such person's termination of service from the Company or its subsidiaries pursuant to the existing terms of the agreements or equity compensation plans described in the Time of Sale Prospectus or in exercise of the Company's right of first refusal upon a proposed transfer, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (iii) there has not been any material change in the capital stock (other than the exercise of equity awards or grants of equity awards or forfeiture of equity awards outstanding as of such respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, in each case granted pursuant to the equity compensation plans described in the Time of Sale Prospectus), short-term debt or long-term debt of the Company and its subsidiaries, taken as a whole, except in each case as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(v) Neither the Company nor its subsidiaries own real property. The Company and each of its subsidiaries have good and marketable title to all personal property (which does not include intellectual property, which is addressed exclusively in Section 1(w)) owned by them which is material to the business of the Company and its subsidiaries, in each case free and clear of all liens, encumbrances and defects except such as do not materially affect the value of such property and do not interfere in any material respect with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and, to the knowledge of the Company, enforceable leases with such exceptions as are not material and do not interfere in any material respect with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries, in each case except as described in the Time of Sale Prospectus.

(w) Except as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus and except as would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, individually or taken as a whole, (i) the Company and its subsidiaries own or possess or, to the Company's knowledge, can obtain on reasonable terms, adequate rights to use all patents, trademarks, service marks, trade names, domain names, copyrights, software, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) and all goodwill and other technology and intellectual property rights, including registrations and applications for registration thereof (collectively, "**Intellectual Property**") used in or reasonably necessary to the conduct of their businesses as described in the Registration Statement, the Prospectus and the Time of Sale Prospectus (collectively, "**Company Intellectual Property**"); (ii) neither the Company nor any of its subsidiaries has received any

written notice of any infringement of, or conflict with asserted rights of others with respect to, any Intellectual Property that would render any Company Intellectual Property invalid, unenforceable or inadequate to protect the interest of the Company or any of its subsidiaries therein if the subject of an unfavorable decision, ruling or finding; (iii) to the Company's knowledge, the Company's and its subsidiaries' conduct of their business does not infringe, misappropriate or otherwise violate, and has not infringed, misappropriated, or otherwise violated, asserted rights of any others with respect to any Intellectual Property; and (iv) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by any third party (A) challenging the ownership, validity, enforceability or scope of any Company Intellectual Property, or (B) alleging that the Company or any of its subsidiaries has infringed, misappropriated or otherwise violated asserted rights of any others with respect to any Intellectual Property or any of the foregoing.

(x) (i) The Company and its subsidiaries use and have used any and all software and other materials distributed under a "free," "open source," or similar licensing model (including but not limited to the MIT License, Apache License, GNU General Public License, GNU Lesser General Public License and GNU Affero General Public License) ("**Open Source Software**") in compliance with all license terms applicable to such Open Source Software except where the failure to comply would not have a material adverse effect on the Company and its subsidiaries, taken as a whole; and (ii) neither the Company nor any of its subsidiaries uses or distributes or has used or distributed any Open Source Software in any manner that requires or has required (A) the Company or any of its subsidiaries to permit reverse engineering of any software code or other technology owned by the Company or any of its subsidiaries or (B) any software code or other technology owned by the Company or any of its subsidiaries to be (1) disclosed or distributed in source code form, (2) licensed for the purpose of making derivative works or (3) redistributed at no charge, except as would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(y) Except as described in the Time of Sale Prospectus and except as would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, (i) to the Company's knowledge, there has been no security breach or incident, unauthorized access or disclosure, or other compromise of the Company and its subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, technology, data and databases (a "**Breach**"), including the data and information (including personal information) of their respective customers and employees and any sensitive third-party data collected, maintained, processed or stored by or on behalf of the Company and its subsidiaries (collectively, "**IT Systems and Data**"), and the Company and its subsidiaries have not been notified of and have no knowledge of any event or condition that would reasonably be expected to result in, any material Breach; (ii) the IT Systems and Data are adequate for, and operate and perform as required in connection with the operation of the business

of the Company and its subsidiaries as currently conducted; (iii) the Company and its subsidiaries have implemented and maintained commercially reasonable physical, organizational, technical and administrative controls, policies, procedures, and technical safeguards and measures to maintain and protect the integrity, continuous operation, redundancy and security of all IT Systems and Data, including, maintaining an information security management system that has been certified to conform to the requirements of ISO/IEC 27001:2013 and materially complying with PCI-DSS; and (iv) the Company and its subsidiaries have complied with and are presently in material compliance with all applicable laws and statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of any personally identifiable information included in their IT Systems and Data, and the Company has not received any notification of or complaint regarding and is unaware of any other facts that, individually or in the aggregate, would reasonably indicate any material non-compliance with any of the foregoing.

(z) Except as would not be expected to result in a material adverse effect on the Company and its subsidiaries, taken as a whole, (A) each Plan (as defined below) has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and the Internal Revenue Code of 1986, as amended (the “Code”); (B) no non-exempt prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan; (C) for each Plan, no failure to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA), whether or not waived, has occurred or is reasonably expected to occur; (D) no “reportable event” (within the meaning of Section 4043(c) of ERISA, other than those events as to which notice is waived) has occurred or is reasonably expected to occur; and (E) neither the Company nor any member of its “Controlled Group” (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Code) has incurred, nor is reasonably expected to incur, any liability under Title IV of ERISA (other than contributions to any Plan or any Multiemployer Plan or premiums to the PBGC, in the ordinary course and without default) in respect of a Plan or a Multiemployer Plan. For purposes of this paragraph, (x) the term “Plan” means an employee benefit plan, within the meaning of Section 3(3) of ERISA, subject to Title IV of ERISA, but excluding any Multiemployer Plan, for which the Company or any member of its “Controlled Group” has any liability and (y) the term “Multiemployer Plan” means a multiemployer plan within the meaning of Section 4001(a)(3) of ERISA.

(aa) No material labor dispute with the employees of the Company or any of its subsidiaries exists, or, to the knowledge of the Company, is imminent; and the Company is not aware of any existing, threatened or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that would reasonably be expected to, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(bb) The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as, in the Company's reasonable judgment, are prudent and customary in the businesses in which they are engaged; neither the Company nor any of its subsidiaries has been refused any insurance coverage sought or applied for; and neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not be reasonably expected to, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(cc) The Company and each of its subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses except where the failure to obtain such certificates, authorizations or permits would not be reasonably expected to, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole, and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(dd) The financial statements included in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, together with the related schedules and notes thereto, comply as to form in all material respects with the applicable accounting requirements of the Securities Act and present fairly in all material respects the consolidated financial position of the Company and its subsidiaries as of the dates shown and its results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with generally accepted accounting principles in the United States ("U.S. GAAP") applied on a consistent basis throughout the periods covered thereby except for any normal year-end adjustments in the Company's quarterly financial statements. The other financial information included in each of the Registration Statement, the Time of Sale Prospectus the Prospectus and any free writing prospectus, if any, has been derived from the accounting records of the Company and its consolidated subsidiaries and presents fairly in all material respects the information shown thereby. The statistical, industry-related and market-related data included in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus are based on or derived from sources which the Company reasonably and in good faith believes are reliable and accurate and such data is consistent with the sources from which they are derived, in each case in all material respects.

(ee) Ernst & Young LLP, who have certified certain financial statements of the Company and its subsidiaries and delivered its report with respect to the audited consolidated financial statements and schedules filed with the Commission as part of the Registration Statement and included in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, is an independent registered public accounting firm with respect to the Company within the meaning of the Securities Act and the applicable rules and regulations thereunder adopted by the Commission and the Public Company Accounting Oversight Board (United States).

(ff) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) no change in the Company's internal control over financial reporting that has materially and adversely affected, or is reasonably expected to materially and adversely affect, the Company's internal control over financial reporting.

(gg) Except as described in the Registration Statement or the Time of Sale Prospectus, the Company has not sold, issued or distributed any shares of Common Stock during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(hh) The Company and each of its subsidiaries have filed all federal, state, local and foreign tax returns required to be filed through the date of this Agreement or have requested extensions thereof (except where the failure to file would not be reasonably expected to, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole) and have paid all taxes required to be paid thereon (except for cases in which the failure to file or pay would not be reasonably expected to, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole, or, except as currently being contested in good faith and for which reserves required by U.S. GAAP have been created in the financial statements of the Company), and no tax deficiency has been determined adversely to the Company or any of its subsidiaries which, singly or in the aggregate, has had (nor does the Company nor any of its subsidiaries have any notice or knowledge of any tax deficiency which

could reasonably be expected to be determined adversely to the Company or its subsidiaries and which could reasonably be expected to have) a material adverse effect on the Company and its subsidiaries, taken as a whole.

(ii) From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an “emerging growth company,” as defined in Section 2(a) of the Securities Act (an “**Emerging Growth Company**”). “**Testing-the-Waters Communication**” means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act.

(jj) The Company has taken all necessary actions to ensure that, upon the effectiveness of the Registration Statement, it will be in compliance, to the extent required, with all provisions of the Sarbanes-Oxley Act of 2002, as amended (the “**Sarbanes-Oxley Act**”), and all rules and regulations promulgated thereunder applicable to the Company at such time, and is taking steps designed to ensure that it will be in compliance, at all times, with the other provisions of the Sarbanes-Oxley Act when they become applicable to the Company after the effectiveness of the Registration Statement.

(kk) The Company (i) has not alone engaged in any Testing-the-Waters Communication with any person other than Testing-the-Waters Communications with the consent of the Representatives with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501 under the Securities Act and (ii) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communications other than those listed on Schedule III hereto. “**Written Testing-the-Waters Communication**” means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act.

(ll) As of the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers, none of (A) the Time of Sale Prospectus, (B) any free writing prospectus, when considered together with the Time of Sale Prospectus, and (C) any individual Written Testing-the-Waters Communication, when considered together with the Time of Sale Prospectus, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(mm) The Company has not taken, directly or indirectly, any action designed to or that would reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

2. *Agreements to Sell and Purchase.* The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the terms and conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective numbers of Firm Shares set forth in Schedule I hereto opposite its name at \$[●] a share (the “**Purchase Price**”).

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the Underwriters the Additional Shares, and the Underwriters shall have the right to purchase, severally and not jointly, up to [●] Additional Shares at the Purchase Price, provided, however, that the amount paid by the Underwriters for any Additional Shares shall be reduced by an amount per share equal to any dividends declared by the Company and payable on the Firm Shares but not payable on such Additional Shares. The Representatives may exercise this right on behalf of the Underwriters in whole or from time to time in part by giving written notice not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least one business day after the written notice is given and may not be earlier than the closing date for the Firm Shares or later than ten business days after the date of such notice. Additional Shares may be purchased as provided in Section 4 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Additional Shares are to be purchased (an “**Option Closing Date**”), each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

3. *Terms of Public Offering.* The Company is advised by the Representatives that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in the Representatives’ judgment is advisable. The Company is further advised by the Representatives that the Shares are to be offered to the public initially at \$[●] a share (the “**Public Offering Price**”) and to certain dealers selected by the Representatives at a price that represents a concession not in excess of \$[●] a share under the Public Offering Price.

4. *Payment and Delivery.* Payment for the Firm Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on [Month] [●], 2020, or at such other time on the same or such other date, not later than [Month] [●], 2020, as shall be designated in writing by the Representatives. The time and date of such payment are hereinafter referred to as the “**Closing Date**.”

Payment for any Additional Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the corresponding notice described in Section 2 or at such other time on the same or on such other date, in any event not later than [Month] [●], 2020, as shall be designated in writing by the Representatives.

The Firm Shares and Additional Shares shall be registered in such names and in such denominations as the Representatives shall request not later than one full business day prior to the Closing Date or the applicable Option Closing Date, as the case may be. The Firm Shares and Additional Shares shall be delivered to Barclays Capital Inc. on the Closing Date or an Option Closing Date, as the case may be, for the respective accounts of the several Underwriters designated by the Representatives through the facilities of the Depository Trust Company, against payment of the Purchase Price therefor, reduced by any transfer taxes paid by or on behalf of the Underwriters in connection with the transfer of the Shares to the Underwriters.

5. *Conditions to the Underwriters' Obligations.* The obligations of the Company to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement shall have become effective not later than [●] [a][p].m. (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

- (a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:
 - (i) no order suspending the effectiveness of the Registration Statement shall be in effect, and to the Company's knowledge, no proceeding for such purpose or pursuant to Section 8A under the Securities Act shall be pending before or threatened by the Commission;
 - (ii) there shall not have occurred any downgrading, nor shall the Company have received any notice of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization," as such term is defined in Section 3(a)(62) of the Exchange Act; and
 - (iii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial

or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus that, in the Representatives' judgment, is material and adverse and that makes it, in the Representatives' judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus.

(b) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company, to the effect set forth in Sections 5(a)(i) and 5(a)(ii) above and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date an opinion and negative assurance letter of DLA Piper LLP (US), outside counsel for the Company, dated the Closing Date, in form and substance reasonably satisfactory to the Representatives.

(d) The Underwriters shall have received on the Closing Date an opinion and negative assurance letter of Cooley LLP, counsel for the Underwriters, dated the Closing Date, in form and substance reasonably satisfactory to the Representatives.

With respect to the negative assurance letters to be delivered pursuant to Sections 5(c) and 5(d) above, DLA Piper LLP (US) and Cooley LLP, respectively, may state that their opinions and beliefs are based upon their participation in the preparation of the Registration Statement, the Time of Sale Prospectus and the Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification, except as specified.

The opinion of DLA Piper LLP (US) described in Section 5(c) above shall be rendered to the Underwriters at the request of the Company and shall so state therein.

(e) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance reasonably satisfactory to the Underwriters, from Ernst & Young LLP, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus; *provided* that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(f) The “lock-up” agreements, each substantially in the form of Exhibit A hereto, among the Representatives and certain shareholders, officers and directors of the Company relating to restrictions on sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to the Representatives on or before the date hereof (the “**Lock-up Agreements**”), shall be in full force and effect on the Closing Date.

(g) The Underwriters shall have received, on each of the date hereof and the Closing Date, a certificate signed by the Chief Financial Officer of the Company, in his capacity as such, with respect to certain financial and accounting information in the Registration Statement, the Time of Sale Prospectus and the Prospectus, in form and substance reasonably satisfactory to the Underwriters.

(h) The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to the Representatives on the applicable Option Closing Date of the following:

(i) a certificate, dated the Option Closing Date and signed by an executive officer of the Company, confirming that the certificate delivered on the Closing Date pursuant to Section 5(b) hereof remains true and correct as of such Option Closing Date;

(ii) an opinion and negative assurance letter of DLA Piper LLP (US), outside counsel for the Company, dated the Option Closing Date, relating to the Additional Shares to be purchased on such Option Closing Date and otherwise to the same effect as the opinion required by Section 5(c) hereof;

(iii) an opinion and negative assurance letter of Cooley LLP, counsel for the Underwriters, dated the Option Closing Date, relating to the Additional Shares to be purchased on such Option Closing Date and otherwise to the same effect as the opinion required by Section 5(d) hereof;

(iv) a letter dated the Option Closing Date, in form and substance satisfactory to the Underwriters, from Ernst & Young LLP, independent public accountants, substantially in the same form and substance as the letter furnished to the Underwriters pursuant to Section 5(e) hereof; *provided* that the letter delivered on the Option Closing Date shall use a “cut-off date” not earlier than three business days prior to such Option Closing Date;

(v) a certificate, dated the Option Closing Date and signed by the Chief Financial Officer of the Company, substantially in the same form and substance as the certificate delivered to the Underwriters pursuant to Section 5(g) hereof; and

(vi) such other documents as the Representatives may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Shares to be sold on such Option Closing Date and other matters related to the issuance of such Additional Shares.

6. *Covenants of the Company.* The Company covenants with each Underwriter as follows:

(a) To furnish to the Representatives, at their request, without charge, five signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter, at its request, a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to the Representatives in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6(e) or 6(f) below, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as the Representatives may reasonably request.

(b) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, to furnish to the Representatives a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which the Representatives reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) To furnish to the Representatives a copy of each proposed free writing prospectus to be prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any proposed free writing prospectus to which the Representatives reasonably object.

(d) Not to take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder.

(e) If the Time of Sale Prospectus is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the opinion of counsel for the Underwriters, it is necessary to

amend or supplement the Time of Sale Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when the Time of Sale Prospectus is delivered to a prospective purchaser, be misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) If, during such period after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, not misleading, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses the Representatives will furnish to the Company) to which Shares may have been sold by the Representatives on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law.

(g) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request; provided however, that nothing contained herein shall require the Company to qualify to do business in any jurisdiction, execute a general consent to service of process in any jurisdiction or to subject itself to taxation in any jurisdiction in which it is not otherwise subject.

(h) To make generally available (which may be satisfied by filing with the Commission on its Electronic Data Gathering Analysis and Retrieval System) to the Company's security holders and to the Representatives as soon as practicable an earnings statement covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(i) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 6(g) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by FINRA (provided, that, the amount payable by the Company with respect to fees and disbursements of counsel for the Underwriters pursuant to subsections (iii) and (iv) shall not exceed \$35,000), (v) all fees and expenses in connection with the preparation and filing of the registration statement on Form 8-A relating to the Series 1 Common Stock and all costs and expenses incident to listing the Shares on the Nasdaq Global Market, (vi) the cost of printing certificates representing the Shares, (vii) the costs and charges of any transfer agent, registrar or depository, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any broadly available road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and 50% the cost of any aircraft chartered in connection with the road show (the remaining 50% of the cost of such aircraft to be paid by the Underwriters), (ix) the document production charges and expenses associated with printing this Agreement and (x) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. Notwithstanding anything in the previous sentence to the contrary, it is understood, however, that except as provided in this Section, Section 8 entitled "Indemnity and Contribution" and the last paragraph of Section 10 below, the Underwriters will pay all of their costs

and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make, and all travel and other expenses of the Underwriters or any of their employees incurred by them in connection with participation in investor presentations on any “road show” undertaken in connection with the marketing of the offering of the Shares, other than the cost of aircraft chartered in connection with the roadshow, for which the Underwriters agree to pay for the other fifty percent (50%) not paid for by the Company, as described above.

(j) The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Shares within the meaning of the Securities Act and (ii) completion of the Restricted Period (as defined in this Section 6).

(k) If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

(l) The Company will deliver to each Underwriter (or its agent), on the date of execution of this Agreement, a properly completed and executed Certification Regarding Beneficial Owners of Legal Entity Customers, together with copies of identifying documentation, and the Company undertakes to provide such additional supporting documentation as each Underwriter may reasonably request in connection with the verification of the foregoing Certification.

The Company also covenants with each Underwriter that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of the Prospectus (the “**Restricted Period**”), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise or (3) file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock.

The restrictions contained in the preceding paragraph shall not apply to (A) the Shares to be sold hereunder, (B) the issuance by the Company of shares of Series 1 Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof as described in the Time of Sale Prospectus, (C) the issuance by the Company of shares of Common Stock or securities convertible into or exercisable for Common Stock pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options (including net exercise) or the settlement of restricted stock units (including net settlement), in each case outstanding on the date hereof and described in the Time of Sale Prospectus, (D) grants of stock options, stock awards, restricted stock, restricted stock units or other equity awards and the issuance of Common Stock or securities convertible into or exercisable for Common Stock (whether upon the exercise of stock options or otherwise) to employees, officers, directors, advisors, or consultants of the Company pursuant to the terms of a plan in effect on the date hereof and described in the Time of Sale Prospectus, provided that, prior to the issuance of any such shares or the grant of any such options or restricted stock units, the Company shall cause each recipient of such grant or issuance to execute and deliver a “lock-up” agreement, substantially in the form of Exhibit A hereto covering the remainder of the Restricted Period, (E) the sale or issuance of, or entry into an agreement providing for the sale or issuance of Common Stock or securities convertible into, exercisable for or which are otherwise exchangeable for or represent the right to receive Common Stock in connection with (x) the acquisition by the Company or any of its subsidiaries of the securities, business, technology, property or other assets of another person or entity or pursuant to an employee benefit plan assumed by the Company in connection with such acquisition, and the issuance of any Common Stock or securities convertible into, exercisable for or which are otherwise exchangeable for or represent the right to receive Common Stock pursuant to any such agreement or (y) the Company entering into joint ventures, commercial relationships, and other strategic transactions, provided that the aggregate number of shares of Common Stock securities convertible into, exercisable for or which are otherwise exchangeable for or represent the right to receive Common Stock that the Company may sell or issue or agree to sell or issue pursuant to this clause (E) shall not exceed 5.0% of the total number of shares of Common Stock outstanding as of the Closing Date immediately following the completion of the transactions contemplated by this Agreement to be completed as of that date, and all recipients of any such securities shall execute and deliver a “lock-up” agreement, substantially in the form of Exhibit A hereto covering the remainder of the Restricted Period, (F) the establishment or amendment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock, provided that (i) such plan or amendment does not provide for the transfer of Common Stock during the Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment or amendment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Common Stock may be made under such plan during the Restricted Period, or (G) the filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to any plan described in the Time of Sale Prospectus or any assumed benefit plan contemplated by clause (E).

In addition, during the Restricted Period, the Company agrees to (a) enforce any market standoff provisions and any similar transfer restrictions contained in any agreement between the Company and any of its securityholders through the issuance of stop transfer instructions to the Company's transfer agent, or any additional commercially reasonable measures, with respect to any transaction that would constitute a breach of, or default under, the transfer restrictions, except that this provision shall not prevent the Company from effecting such a waiver or amendment to permit a transfer of securities that would be permissible under the terms of a Lock-up Agreement and (b) not amend or waive any such transfer restrictions with respect to any such holder without the prior written consent of the Representatives.

If the Representatives, in their sole discretion, agree to release or waive the restrictions on the transfer of Shares set forth in a Lock-up Agreement for an officer or director of the Company and provides the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit B hereto through a major news service at least two business days before the effective date of the release or waiver.

7. *Covenants of the Underwriters.* Each Underwriter, severally and not jointly, covenants with the Company not to take any action that would result in the Company being required to file with the Commission under Rule 433(d) a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not be required to be filed by the Company thereunder, but for the action of the Underwriter.

8. *Indemnity and Contribution.* (a) The Company agrees to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus or any amendment or supplement thereto, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any Company information that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, any road show as defined in Rule 433(h) under the Securities Act (a "**road show**"), the Prospectus or any amendment or supplement thereto, or any Written Testing-the-Waters Communication that arise out of, or are based upon, any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities that arise out of, or are based upon, any such untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by the Underwriters through the Representatives consists of the information contained in the [[●] paragraph[s] under the caption "Underwriting" in the Time of Sale Prospectus and the Prospectus.]

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Underwriter, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any issuer free writing prospectus, road show, the Prospectus or any amendment or supplement thereto, or any Written Testing-the-Waters Communication.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b), such person (the “**indemnified party**”) shall promptly notify the person against whom such indemnity may be sought (the “**indemnifying party**”) in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the reasonably incurred, documented fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed in writing to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in writing by the Representatives, in the case of parties indemnified pursuant to Section 8(a), and by the Company, in the case of parties indemnified pursuant to Section 8(b). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second

and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) To the extent the indemnification provided for in Section 8(a) or 8(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 8(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8(d)(i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 8 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 8 were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable

considerations referred to in Section 8(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 8(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 8 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter or any affiliate of any Underwriter or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

9. *Termination.* The Underwriters may terminate this Agreement by notice given by the Representatives to the Company, if after the execution and delivery of this Agreement and prior to or on the Closing Date or any Option Closing Date, as the case may be, (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the NYSE American, the Nasdaq Global Market, the Chicago Board of Options Exchange, the Chicago Mercantile Exchange or the Chicago Board of Trade or other relevant exchanges, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a material disruption in securities settlement, payment or clearance services in the United States or other relevant jurisdiction shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by Federal or New York State authorities or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in the Representatives' judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in the Representatives' judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus.

10. *Effectiveness; Defaulting Underwriters.* This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule I bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as the Representatives may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; *provided* that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 10 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased on such date, and arrangements satisfactory to the Representatives and the Company for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either the Representatives or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement, in the Time of Sale Prospectus, in the Prospectus or in any other documents or arrangements may be effected. If, on an Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased on such Option Closing Date, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase the Additional Shares to be sold on such Option Closing Date or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement (other than by reason of a default by the Underwriters or for any failure or non-performance by the Company due to or in connection with the events described in clauses (i), (iii), (iv) or (v) of Section 9), the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the reasonable fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder. If the Company shall be unable to perform its obligations under this Agreement for any failure or non-performance by the Company due to or in connection with the events described in clauses (i), (iii), (iv) or (v) of Section 9, the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for 50% of all out-of-pocket expenses (including the reasonable fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

11. *Entire Agreement.* (a) This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Agreement) that relate to the offering of the Shares, represents the entire agreement between the Company and the Underwriters with respect to the preparation of any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the offering, and the purchase and sale of the Shares.

(b) The Company acknowledges that in connection with the offering of the Shares: (i) the Underwriters have acted at arm's length, are not agents of, and owe no fiduciary duties to, the Company or any other person, (ii) the Underwriters owe the Company only those duties and obligations set forth in this Agreement, any contemporaneous written agreements and prior written agreements (to the extent not superseded by this Agreement), if any, (iii) the Underwriters may have interests that differ from those of the Company, and (iv) none of the activities of the Underwriters in connection with the transactions contemplated herein constitutes a recommendation, investment advice, or solicitation of any action by the Underwriters with respect to any entity or natural person. The Company waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Shares.

12. *Recognition of the U.S. Special Resolution Regimes.* (a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

For purposes of this Section a "**BHC Act Affiliate**" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k). "**Covered Entity**" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b). "**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable. "**U.S. Special Resolution Regime**" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

13. *Counterparts.* This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

14. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

15. *Headings.* The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

16. *Notices.* All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to Morgan Stanley at 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Desk, with a copy to the Legal Department; or Barclays Capital Inc. at 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration, and in each case with a copy (which shall not constitute notice) to Cooley LLP, 55 Hudson Yards, New York, New York 10001, Attention: Nicole Brookshire and Darren DeStefano; and if to the Company shall be delivered, mailed or sent to 11305 Four Points Drive, Building II, Third Floor, Austin, Texas 78726, Attention: Jeff Mengoli, with a copy (which shall not constitute notice) to DLA Piper LLP (US), 401 Congress Avenue, Suite 2500, Austin, Texas 78701, Attention: Samer M. Zabaneh PC.

[Signature Page Follows]

Very truly yours,

BigCommerce Holdings, Inc.

By: _____
Name:
Title:

Accepted as of the date hereof

Morgan Stanley & Co. LLC
Barclays Capital Inc.

Acting severally on behalf of themselves and the several
Underwriters named in Schedule I hereto.

By: Morgan Stanley & Co. LLC

By: _____
Name:
Title:

By: Barclays Capital Inc.

By: _____
Name:
Title:

[Signature Page to Underwriting Agreement]

<u>Underwriter</u>	<u>Number of Firm Shares To Be Purchased</u>
Morgan Stanley & Co. LLC	[●]
Barclays Capital Inc.	[●]
Jefferies LLC	[●]
KeyBanc Capital Markets Inc.	[●]
Canaccord Genuity LLC	[●]
Needham & Company, LLC	[●]
Raymond James & Associates, Inc.	[●]
SunTrust Robinson Humphrey, Inc.	[●]
Total:	[●]

Time of Sale Prospectus

1. Preliminary Prospectus issued July , 2020
2. Orally communicated pricing information:
Price per share to the public: \$
Number of Firm Shares:
Number of Additional Shares:

Written Testing-the-Waters Communications

[Testing-the-Waters presentation dated , 2020]

III-1

FORM OF LOCK-UP AGREEMENT

, 2020

Morgan Stanley & Co. LLC
Barclays Capital Inc.

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

c/o Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

Ladies and Gentlemen:

The undersigned understands that Morgan Stanley & Co. LLC ("**Morgan Stanley**") and Barclays Capital Inc. (together with Morgan Stanley, the "**Representatives**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with BigCommerce Holdings, Inc., a Delaware corporation (the "**Company**"), providing for the public offering (the "**Public Offering**") by the several Underwriters, including the Representatives (the "**Underwriters**"), of a number of shares (the "**Shares**") of the Series 1 common stock, par value \$0.0001 per share, of the Company (the "**Series 1 Common Stock**") and together with the Series 2 common stock, par value \$0.0001 per share, of the Company (the "**Series 2 Common Stock**"), the "**Common Stock**").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, and will not publicly disclose an intention to, during the period commencing on the date hereof and ending 180 days after the date of the final prospectus (the "**Prospectus**") relating to the Public Offering (the "**Restricted Period**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock beneficially owned (as such term is used in Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), by the undersigned or any other securities so owned convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership

of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to:

(a) transfers of shares of Common Stock or other securities acquired in open market transactions after the completion of the Public Offering;

(b) transfers of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock (i) as a bona fide gift, (ii) upon death or by will, testamentary document or intestate succession, (iii) to an immediate family member of the undersigned or to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this agreement, "immediate family member" shall mean any spouse or domestic partner and relationship by blood, current or former marriage or adoption, not more remote than first cousin) or (iv) if the undersigned is a trust, to any beneficiary of the undersigned or the estate of any such beneficiary;

(c) distributions, transfers or dispositions of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock to (i) another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned, or to any investment fund or other entity controlled or managed by the undersigned or affiliates of the undersigned, or (ii) as part of a distribution, transfer or disposition without consideration by the undersigned to its stockholders, current or former partners (general or limited), members, beneficiaries or other equity holders, or to the estates of any such stockholders, partners, beneficiaries or other equity holders;

(d) (i) the receipt by the undersigned from the Company of shares of Common Stock upon the exercise of options, settlement of restricted stock units or other equity awards granted under a stock incentive plan or other equity award plan, which plan is described in the registration statement related to the Public Offering (the "**Registration Statement**"), or the exercise of warrants outstanding and which are described in the Registration Statement or the Prospectus, or (ii) the transfer of shares of Common Stock or any securities convertible into Common Stock to the Company upon a vesting or settlement event of the Company's securities or upon the exercise of options, restricted stock units or warrants to purchase the Company's securities on a "cashless" or "net exercise" basis to the extent permitted by the instruments representing such options, restricted stock units or warrants (and any transfer to the Company necessary in respect of such amount needed for the payment of taxes, including estimated taxes, due as a result of such vesting or exercise whether by means of a "net settlement" or otherwise) so long as such "cashless" exercise or "net exercise" is effected solely by the surrender of outstanding options, restricted stock units or warrants (or the Common Stock issuable upon the exercise thereof) to the Company and the Company's cancellation of all or a portion thereof to pay the exercise price and/or withholding tax and remittance obligations; *provided* that in the case of either (i) or (ii), (x) the shares received upon exercise or settlement of the option, restricted stock unit or warrant are subject to the terms of this agreement, and (y) , no public announcement or filing under Section 16(a) of the Exchange Act, or any other public filing or disclosure of such receipt or transfer, shall be required or shall be voluntarily made by or on behalf of the undersigned;

(e) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock, *provided* that (i) such plan does not provide for the transfer of Common Stock during the Restricted Period, and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the undersigned or the Company regarding the establishment of such plan during the Restricted Period, such announcement or filing shall include a statement to the effect that no transfer of Common Stock may be made under such plan during the Restricted Period;

(f) the transfer of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock that occurs by operation of law pursuant to a qualified domestic order in connection with a divorce settlement or other court order;

(g) any transfer of Common Stock to the Company pursuant to arrangements under which the Company has the right or option to repurchase such shares or a right of first refusal with respect to transfers of such shares and which are described in the Registration Statement or the Prospectus;

(h) the conversion of the outstanding preferred stock of the Company into shares of Common Stock prior to or in connection with the consummation of the Public Offering or the conversion of shares of Series 2 Common Stock into shares of Series 1 Common Stock, *provided* that any such shares of Common Stock received upon such conversion shall be subject to the terms of this agreement; and

(i) the transfer of shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction, that is approved by the Board of Directors of the Company, made to all holders of Common Stock involving a Change of Control (as defined below), *provided* that in the event that the tender offer, merger, consolidation or other such transaction is not completed, the Common Stock owned by the undersigned shall remain subject to the restrictions contained in this agreement;

provided that in the case of any transfer, distribution or disposition pursuant to clause (b), (c) or (f), each transferee, donee or distributee shall sign and deliver a lock-up agreement substantially in the form of this agreement;

provided further that in the case of any transfer, distribution or disposition pursuant to clause (b) or (c) shall not involve a transfer, distribution or disposition for value;

provided further that in the case of any transfer, distribution or disposition pursuant to clause (a), (b) or (c), no public announcement or filing under Section 16(a) of the Exchange Act, or any other public filing or disclosure shall be required or shall be voluntarily made during the Restricted Period; and

provided further that in the case of any transfer pursuant to clause (f) or (g), no public announcement or filing under Section 16(a) of the Exchange Act, or any other public filing or disclosure shall be required or shall be voluntarily made during the Restricted Period, unless such filing is required and clearly indicates in the footnotes thereto in the case of clause (f) or (g) that the transfer is by operation of law, court or regulatory order, or in connection with a divorce settlement, or a repurchase by the Company, as the case may be.

For the purposes of clause (i) of the second paragraph hereof, “**Change of Control**” shall mean the consummation of any bona fide third-party tender offer, merger, consolidation or other similar transaction after the consummation of the Public Offering the result of which is that any “person” (as defined in Section 13(d)(3) of the Exchange Act), or group of persons, other than the Company, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of greater than 50% of the total voting power of the voting stock of the Company.

Notwithstanding the foregoing, if (i) at least 120 days have elapsed after the date of the Prospectus and (ii) the 180th day after the date of the Prospectus (the “**Expiration Date**”) will occur during or within five trading days of a Company “black-out” period under its insider trading policy (or similar period when trading is not permitted by insiders under the Company’s insider trading policy) (a “**Blackout Period**”), the Expiration Date will instead be the sixth trading day immediately preceding the commencement of such Blackout Period (the “**Blackout-Related Release**”). For the avoidance of doubt, notwithstanding anything to the contrary contained herein, in no event shall the Blackout-Related Release occur earlier than 120 days after the date of the Prospectus.

In addition, the undersigned agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the Restricted Period, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock.

The undersigned also agrees and consents to the entry of stop transfer instructions with the Company’s transfer agent and registrar against the transfer of the undersigned’s shares of Common Stock except in compliance with the foregoing restrictions.

If the undersigned is an officer or director of the Company, (i) the Representatives agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, the Representatives will notify the Company of the impending release or waiver, and (ii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Representatives hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (i) (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same

terms described in this agreement to the extent and for the duration that such terms remain in effect at the time of the transfer or (ii) for the avoidance of doubt, in the case of a Blackout-Related Release.

Notwithstanding anything to the contrary contained herein, this agreement will automatically terminate and the undersigned will be released from all of his, her or its obligations hereunder upon the earliest to occur, if any, of (i) the date that the Company, on the one hand, or the Representatives, on the other hand, advises in writing, prior to the execution of the Underwriting Agreement, that it has determined not to proceed with the Public Offering, (ii) the date, prior to the execution of the Underwriting Agreement, that the Company withdraws the Registration Statement, (iii) the date that the Underwriting Agreement is terminated (other than the provisions thereof which survive termination) prior to payment for and delivery of the Shares to be sold thereunder, or (iv) September 30, 2020, in the event that the Underwriting Agreement has not been executed by such date (*provided* that the Company may by written notice to the undersigned prior to September 30, 2020 extend such date for a period of up to an additional three months).

The undersigned hereby consents to receipt of this agreement in electronic form and understand and agree that this letter agreement may be signed electronically. If any signature is delivered by facsimile transmission, electronic mail, or otherwise by electronic transmission evidencing an intent to sign this agreement (including any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com), such facsimile transmission, electronic mail or other electronic transmission shall create a valid and binding obligation of the undersigned with the same force and effect as if such signature were an original. Execution and delivery of this agreement by facsimile transmission, electronic mail or other electronic transmission is legal, valid and binding for all purposes.

The undersigned understands that the Company and the Underwriters are relying upon this agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

This agreement and any claim, controversy or dispute arising under or related to this agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles thereof.

[the remainder of the page intentionally blank]

Very truly yours,

Name of Security Holder (*Print exact name*)

By: _____
(Signature)

If not signing in an individual capacity:

Name of Authorized Signatory (*Print*)

Title of Authorized Signatory (*Print*)
*(indicate capacity of person signing if signing as custodian,
trustee, or on behalf of an entity)*

FORM OF WAIVER OF LOCK-UP

, 20

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by BigCommerce Holdings, Inc. (the “**Company**”) of _____ shares of Series 1 common stock, \$0.0001 par value (the “**Common Stock**”), of the Company and the lock-up agreement dated _____, 2020 (the “**Lock-up Agreement**”), executed by you in connection with such offering, and your request for a [waiver] [release] dated _____, 20____, with respect to shares of Common Stock (the “**Shares**”).

Morgan Stanley & Co. LLC and Barclays Capital Inc. hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Agreement, but only with respect to the Shares, effective _____, 20____; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Agreement shall remain in full force and effect.

Very truly yours,

Morgan Stanley & Co. LLC
Barclays Capital Inc.

Acting severally on behalf of themselves and the several
Underwriters named in Schedule I to the Underwriting
Agreement

By: Morgan Stanley & Co. LLC

By: _____
Name:
Title:

By: Barclays Capital Inc.

By: _____
Name:
Title:

cc: Company

FORM OF PRESS RELEASE

BigCommerce Holdings, Inc.
[Date]

BigCommerce Holdings, Inc. (the “**Company**”) announced today that Morgan Stanley & Co. LLC and Barclays Capital Inc., lead book-running managers in the Company’s recent public sale of _____ shares of its Series 1 common stock are [waiving][releasing] a lock-up restriction with respect to _____ shares of the Company’s [Series 1] common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver][release] will take effect on _____, 20____, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

**FIRST
CERTIFICATE OF AMENDMENT
TO
SIXTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
BIGCOMMERCE HOLDINGS, INC.
a Delaware Corporation**

BigCommerce Holdings, Inc., a corporation organized and existing under the laws of the State of Delaware (the “*Corporation*”), **HEREBY CERTIFIES:**

FIRST: The name of the Corporation is BigCommerce Holdings, Inc., and the Corporation was originally incorporated pursuant to the General Corporation Law of the State of Delaware on January 29, 2013.

SECOND: The Board of Directors duly adopted resolutions proposing to amend the Corporation’s Sixth Amended and Restated Certificate of Incorporation (the “*Certificate*”) as follows, declaring said amendment to be advisable and in the best interests of the Corporation and its stockholders, and authorizing the appropriate officers of the Corporation to solicit the consent of the Corporation’s stockholders.

THIRD: The following amendments were duly adopted and approved in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware by the written consent of the required percentage of stockholders of the Corporation:

1. The first sentence of Article Fourth of the Certificate is hereby amended and restated in its entirety as follows:

“The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 250,000,000 shares of Common Stock, \$0.0001 par value per share (“*Common Stock*”), and (ii) 109,030,573 shares of Preferred Stock, \$0.0001 par value per share (“*Preferred Stock*”).”

2. The first two sentences of Part A of Article Fourth of the Certificate are hereby amended and restated in their entirety as follows:

“205,000,000 shares of the Common Stock of the Corporation are hereby designated “*Series 1 Common Stock*,” and 45,000,000 shares of the Common Stock of the Corporation are hereby designated “*Series 2 Common Stock*.” As used herein, the term “*Common Stock*” without specific reference to the Series 1 Common Stock or the Series 2 Common Stock, without distinction as to class, except as otherwise expressly provided herein, shall mean, collectively, shares of Series 1 Common Stock and shares Series 2 Common Stock. Upon the filing and effectiveness (the “*Effective Time*”), pursuant to the General Corporation Law of the State of Delaware, of this Certificate of Amendment to the Sixth Amended and Restated Certificate of Incorporation of the Corporation, each three shares of Common Stock either issued and outstanding or held by the Corporation in its treasury immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one share of Common Stock (the “*Reverse Stock Split*”). No fractional shares shall be issued in connection with the Reverse Stock Split. Any fractional shares of Common Stock that would otherwise exist due to the Reverse Stock Split shall be rounded down to

the nearest whole share without payment in lieu thereof. Each certificate that immediately prior to the Effective Time represented shares of Common Stock ("**Old Certificates**") shall thereafter represent that number of shares of Common Stock into which the shares of Common Stock represented by the Old Certificates shall have been combined, subject to the elimination of fractional share interests as described above. Notwithstanding the foregoing, the par value of each share of the outstanding Common Stock shall not be adjusted in connection with the Reverse Stock Split."

3. The first sentence of Part B of Article Fourth of the Certificate is hereby amended and restated in its entirety as follows:

"15,000,005 shares of the Preferred Stock of the Corporation are hereby designated "**Series A Preferred Stock**," 10,610,711 shares of the Preferred Stock of the Corporation are hereby designated "**Series B Preferred Stock**," 16,393,442 shares of the Preferred Stock of the Corporation are hereby designated "**Series C Preferred Stock**," 14,450,863 shares of the Preferred Stock of the Corporation are hereby designated "**Series D Preferred Stock**," 1,445,086 shares of the Preferred Stock of the Corporation are hereby designated "**Series D-1 Preferred Stock**," 20,307,464 shares of the Preferred Stock of the Corporation are hereby designated "**Series E Preferred Stock**," 194,561 shares of the Preferred Stock of the Corporation are hereby designated "**Series E-1 Preferred Stock**," and 30,628,441 shares of the Preferred Stock of the Corporation are hereby designated "**Series F Preferred Stock**," each with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations."

4. Part B, Section 4.3 of Article Fourth of the Certificate is hereby amended and restated in its entirety as follows:

"No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. Any fractional shares of Common Stock to which the holder would otherwise be entitled upon such conversion shall be rounded down to the nearest whole share without payment in lieu thereof."

FOURTH: Concurrently with the effectiveness of the Reverse Stock Split, the Conversion Price applicable to the Preferred Stock shall be proportionately adjusted pursuant to Part B, Section 4.6 of Article Fourth of the Certificate.

FIFTH: This amendment to the Certificate shall be effective on and as of the date of filing of this Certificate of Amendment with the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, the undersigned officer has executed this First Certificate of Amendment to the Sixth Amended and Restated Certificate of Incorporation of BigCommerce Holdings, Inc. this 24th day of July, 2020.

By: /s/ Jeff Mengoli

Name: Jeff Mengoli

Title: Secretary

**SEVENTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
BIGCOMMERCE HOLDINGS, INC.
a Delaware corporation**

**(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)**

BigCommerce Holdings, Inc., (the “**Corporation**”) a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. That the name of this corporation is BigCommerce Holdings, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on January 29, 2013 under the name BigCommerce Holdings, Inc. The Corporation’s Second Amended and Restated Certificate of Incorporation was filed with the Secretary of State on July 23, 2013. The Corporation’s Third Amended and Restated Certificate of Incorporation was filed with the Secretary of State on November 18, 2014. A Certificate of Amendment to the Corporation’s Third Amended and Restated Certificate of Incorporation was filed with the Secretary of State on December 16, 2014. The Corporation’s Fourth Amended and Restated Certificate of Incorporation was filed with the Secretary of State on April 27, 2016. A Certificate of Amendment to the Corporation’s Fourth Amended and Restated Certificate of Incorporation was filed with the Secretary of State on March 27, 2017. A Second Certificate of Amendment to the Corporation’s Fourth Amended and Restated Certificate of Incorporation was filed with the Secretary of State on October 26, 2017. The Corporation’s Fifth Amended and Restated Certificate of Incorporation was filed with the Secretary of State on April 19, 2018. The Corporation’s Sixth Amended and Restated Certificate of Incorporation was filed with the Secretary of State on February 28, 2020. A Certificate of Amendment to the Corporation’s Sixth Amended and Restated Certificate of Incorporation was filed with the Secretary of State on July 24, 2020.

2. This Seventh Amended and Restated Certificate of Incorporation of the Corporation, which both restates and further amends the provisions of the Corporation’s Sixth Amended and Restated Certificate of Incorporation, has been duly adopted by the directors and stockholders of the Corporation in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware (the “**Delaware General Corporation Law**”). The Seventh Amended and Restated Certificate of Incorporation so adopted reads in full as set forth in Exhibit A attached hereto and is incorporated herein by this reference.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Seventh Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this th day of , 2020.

By: _____

Name: Jeff Mengoli

Title: Secretary

[Signature Page to Seventh Amended and Restated Certificate of Incorporation]

EXHIBIT A

SEVENTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
BIGCOMMERCE HOLDINGS, INC.
a Delaware corporation

ARTICLE I

The name of the corporation is BigCommerce Holdings, Inc. (hereinafter referred to as the “*Corporation*”).

ARTICLE II

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

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware (the “*Delaware General Corporation Law*”) and to possess and employ all powers and privileges now or hereafter granted or available under the laws of the State of Delaware to such corporations.

ARTICLE IV

A. The total number of shares of capital stock of all classes which the Corporation shall have authority to issue is 515,050,555 shares, consisting of: 500,000,000 shares of Series 1 common stock, \$0.0001 par value per share (“*Series 1 Common Stock*”), 5,050,555 shares of Series 2 common stock, \$0.0001 par value per share (“*Series 2 Common Stock*” and together with the Series 1 Common Stock, the “*Common Stock*”) and 10,000,000 shares of preferred stock, par value \$0.0001 per share (“*Preferred Stock*”).

B. Except as otherwise restricted by this Seventh Amended and Restated Certificate of Incorporation (this “*Certificate*”), the Corporation is authorized to issue, from time to time, all or any portion of the capital stock of the Corporation which may have been authorized but not issued, to such person or persons and for such lawful consideration as it may deem appropriate, and generally in its absolute discretion to determine the terms and manner of any disposition of such authorized but unissued capital stock.

Any and all such shares issued for which the full consideration has been paid or delivered shall be deemed fully paid shares of capital stock, and the holder of such shares shall not be liable for any further call or assessment or any other payment thereon.

C. The designations and the powers, preferences and rights and qualifications, limitations or restrictions of the shares of each class of stock are as follows:

1. Common Stock

(a) General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to the rights of the holders of any series of Preferred Stock then outstanding.

(b) Voting. Except as otherwise provided herein, the holders of Series 1 Common Stock shall be entitled to one vote for each share of Series 1 Common Stock held on all matters submitted to a vote of stockholders of the Corporation on which holders of Common Stock are entitled to vote. Except as required by law or as otherwise set forth herein, the holders of shares of Series 2 Common Stock shall have no voting rights or power and shall not be entitled to vote on any matter that is submitted to a vote of the stockholders of the Corporation. Except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate or pursuant to the Delaware General Corporation Law. There shall be no cumulative voting and no shares of Common Stock shall be entitled to preemptive or subscription rights. The number of authorized shares of Common Stock, Series 1 Common Stock and/or Series 2 Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

(c) Dividends. Subject to the rights of any holders of any shares of Preferred Stock which may from time to time come into existence and be outstanding, the holders of Common Stock shall be entitled to the payment of dividends when and as declared by the Board of Directors of the Corporation (the "**Board of Directors**") in accordance with applicable law and to receive other distributions from the Corporation. Any dividends declared by the Board of Directors to the holders of the then outstanding Common Stock shall be paid to the holders thereof pro rata in accordance with the number of shares of Common Stock held by each such holder as of the record date of such dividend.

(d) Liquidation. In the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, after payment or provision for the payment of the debt and liabilities of the Corporation and subject to the prior payment in full of the preferential amounts, if any, to which any series of Preferred Stock may be entitled, the holders of shares of Common Stock shall be entitled to receive the assets and funds of the Corporation remaining for distribution in proportion to the number of shares held by them, respectively.

(e) Mandatory Conversion of Series 2 Common Stock to Series 1 Common Stock. Each share of Series 2 Common Stock held by Special Situations Investing Group II, LLC ("**GS**") shall be automatically converted without the payment of any additional consideration into fully paid shares of Series 1 Common Stock at the rate of one-to-one (subject to equitable adjustment in the event of any stock split, recapitalization, dividend or the like) only upon the transfer thereof in a Widely Dispersed Offering by GS or a party to whom GS transfers shares of Series 2 Common Stock and the transferees of such party (in each case, other than a transferee acquiring such shares of Series 2 Common Stock in a Widely Dispersed Offering) (the "**GS Transferees**"). For the purposes of this Article IV, Part C, Section 1(e), a "**Widely Dispersed Offering**" means (i) a widespread public distribution, including pursuant to Securities and Exchange Commission Rule 144, (ii) a transfer (including a private placement or a sale pursuant to Securities and Exchange Commission Rule 144) in which no one party acquires the right to purchase 2% or more of any class of voting securities (as such term is used for the purposes of the Bank Holding Company Act of 1956, as amended ("**BHC Act**")), (iii) an assignment to a single party (for example, a broker or investment banker) for the purposes of conducting a widespread public distribution on behalf of GS or the GS Transferees, or (iv) to a party who would control more than 50% of the voting securities of the

Corporation without giving effect to the shares of Series 2 Common Stock transferred by the holder or the GS Transferees. Other than in the event of a Widely Dispersed Offering, shares of Series 2 Common Stock shall not be convertible into any other security of the Corporation.

(f) Notice of Conversion. In order for a holder of Series 2 Common Stock to convert shares of Series 2 Common Stock into shares of Series 1 Common Stock, such holder shall surrender the certificate or certificates for such shares of Series 2 Common Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Series 2 Common Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Series 2 Common Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Series 1 Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form reasonably satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "**Common Stock Conversion Time**"), and the shares of Series 1 Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Common Stock Conversion Time, issue and deliver to such holder of Series 2 Common Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Series 1 Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Series 2 Common Stock represented by the surrendered certificate that were not converted into Series 1 Common Stock.

(g) Reservation of Shares. The Corporation shall at all times when the Series 2 Common Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Series 2 Common Stock, such number of its duly authorized shares of Series 1 Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series 2 Common Stock; and if at any time the number of authorized but unissued shares of Series 1 Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series 2 Common Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Series 1 Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate.

(h) Relative Rights of Series 1 Common Stock and Series 2 Common Stock. Except as expressly provided in Section 1(b) above with respect to voting powers, the Series 1 Common Stock and the Series 2 Common Stock shall be identical in all respects and shall be *pari passu* with one another, and share ratably on a per share basis in respect of, the payment of dividends and the distribution of assets on the liquidation, dissolution or winding up of the Corporation made in respect of the Common Stock. In furtherance of the foregoing, the Corporation shall not, whether by merger, consolidation, amendment to this Certificate, operation of law or otherwise, effect any stock split, recapitalization or similar adjustment to either series of its Common Stock unless simultaneously in connection therewith the Corporation effects an identical stock split, recapitalization or similar adjustment to the other series of its Common Stock.

2. Preferred Stock. The shares of Preferred Stock shall initially be undesignated and may be issued from time to time in one or more additional series by the Board of Directors. The Board of Directors is hereby authorized, subject to any limitations prescribed by law, to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon a wholly-unissued series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or any of them; and to increase or decrease the number of shares constituting any such series and the designation thereof, or any of them; and to increase or decrease the number of shares of any series subsequent to the issue of shares of that series, but, in respect of decreases, not below the number of shares of such series then outstanding. In case the number of shares of any series should be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolutions originally fixing the number of shares of such series. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the outstanding shares of Common Stock without a vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to the certificate or certificates establishing any series of Preferred Stock.

ARTICLE V

The Corporation is to have perpetual existence.

ARTICLE VI

The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

A. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by law or by this Certificate or the bylaws of the Corporation, as the same may be amended from time to time (the "**Bylaws**"), the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

B. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

C. Subject to the rights of the holders of any series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

D. Subject to the rights of the holders of any series of Preferred Stock then outstanding, special meetings of stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption), the Chairperson of the Board or the Chief Executive Officer.

E. The number of directors shall be initially set at seven (7) and, thereafter, shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption). Beginning immediately following the

consummation of the Corporation's initial public offering of its Common Stock pursuant to an effective registration statement under the Securities Act of 1933, as amended, (the "**Initial Public Offering**"), the directors shall, by resolution of the Board of Directors, be divided into three classes, hereby designated Class I, Class II and Class III. The term of office of the initial Class I directors shall expire at the first annual meeting of stockholders of the Corporation following the Initial Public Offering, the term of office of the initial Class II directors shall expire at the second annual meeting of stockholders of the Corporation following the Initial Public Offering, and the term of office of the initial Class III directors shall expire at the third annual meeting of stockholders of the Corporation following the Initial Public Offering. At each annual meeting of stockholders of the Corporation following the Initial Public Offering, directors elected to replace those of a Class whose terms expire at such annual meeting shall be elected for a term expiring at the third succeeding annual meeting of stockholders of the Corporation after such election. All directors shall hold office until the expiration of the term for which elected, and until their respective successors have been duly elected, and qualified except in the case of the death, resignation, or removal of any director. Nothing in this Certificate shall preclude a director from serving consecutive terms.

F. Subject to the rights of the holders of any series of Preferred Stock then outstanding, (i) newly created directorships resulting from any increase in the authorized number of directors and (ii) any vacancies in the Board of Directors resulting from death, resignation, disqualification, removal from officer, or other cause may be filled only by the Board of Directors (and not by stockholders), provided that a quorum is then in officer and present, or by a majority of the directors then in office, if less than a quorum is then in office, or by the sole remaining director. A director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and until his or her successor is duly elected and qualified, or until his earlier death, resignation, or removal. After the Initial Public Offering, a director chosen to fill a position resulting from an increase in the number of directors shall hold office until the next election of the class for which such director shall have been chosen, and until his or her successor is duly elected and qualified, or until his or her earlier death, resignation, or removal. No decrease in the authorized number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

G. Subject to the rights of the holders of any series of Preferred Stock then outstanding, and notwithstanding any other provision of this Certificate, directors may be removed from office only for cause and only by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class. Vacancies in the Board of Directors resulting from such removal shall be filled as set forth above under Article VI, Part F.

H. Subject to the rights of holders of any series of Preferred Stock, advance notice of stockholder nominations for election of directors and of business to be brought by stockholders before any meeting of stockholders of the Corporation shall be given in the manner provided by the Bylaws of the Corporation.

ARTICLE VII

No director shall be personally liable to the Corporation or its stockholders for monetary damages for breach of his or her fiduciary duty as a director of the Corporation, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for any acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law hereafter is amended to authorize further elimination or limitation of the liability of directors, then the liability of a director of the Corporation, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended Delaware General

Corporation Law. Any repeal or modification of this paragraph by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or modification.

The Corporation shall indemnify any director or officer to the fullest extent permitted by Delaware law.

ARTICLE VIII

All of the powers of the Corporation, insofar as the same may be lawfully vested by this Certificate in the Board of Directors, are hereby conferred upon the Board of Directors.

ARTICLE IX

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

B. Notwithstanding any other provision in this Certificate to the contrary, the Corporation shall not engage in any Business Combination (as defined hereinafter) with any Interested Stockholder (as defined hereinafter) for a period of three years following the time that such stockholder became an Interested Stockholder, unless:

- (i) prior to such time the Board of Directors approved either the Business Combination or the transaction which resulted in such stockholder becoming an Interested Stockholder;
- (ii) upon consummation of the transaction which resulted in such stockholder becoming an Interested Stockholder, such stockholder owned at least eighty five percent (85%) of the Voting Stock (as defined hereafter) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the Voting Stock outstanding (but not the outstanding Voting Stock owned by such Interested Stockholder) those shares owned (a) by Persons (as defined hereinafter) who are directors and also officers of the Corporation and (b) employee stock plans of the Corporation in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- (iii) at or subsequent to such time the Business Combination is approved by the Board of Directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least sixty-six and two-thirds percent (66-2/3%) of the outstanding Voting Stock which is not owned by such Interested Stockholder.

C. The restrictions contained in this Article IX shall not apply if:

- (i) a stockholder becomes an Interested Stockholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the stockholder ceases to be an Interested Stockholder; and (ii) would not, at any time within the three-year period immediately prior to a Business Combination between the Corporation and such stockholder, have been an Interested Stockholder but for the inadvertent acquisition of ownership; or

- (ii) the Business Combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (a) constitutes one of the transactions described in the second sentence of this Section C(ii) of this Article IX; (b) is with or by a Person who either was not an Interested Stockholder during the previous three years or who became an Interested Stockholder with the approval of the Board of Directors; and (c) is approved or not opposed by a majority of the directors then in office (but not less than one) who were directors prior to any Person becoming an Interested Stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to (x) a merger or consolidation of the Corporation (except for a merger in respect of which, pursuant to Section 251(f) of the Delaware General Corporation Law, no vote of the stockholders of the Corporation is required); (y) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation (other than to any direct or indirect wholly-owned subsidiary or to the Corporation) having an aggregate market value equal to fifty percent (50%) or more of either that aggregate market value of all of the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding Stock (as defined hereinafter) of the Corporation; or (z) a proposed tender or exchange offer for fifty percent (50%) or more of the outstanding Voting Stock of the Corporation. The Corporation shall give not less than twenty (20) days' notice to all Interested Stockholders prior to the consummation of any of the transactions described in clause (x) or (y) of the second sentence of this Section C(ii) of this Article IX.

D. As used in this Article IX only, and unless otherwise provided by the express terms of this Article IX, the following terms shall have the meanings ascribed to them as set forth in this Section D of this Article IX:

- (i) “**Affiliate**” means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person.
- (ii) “**Associate**,” when used to indicate a relationship with any Person, means (a) any corporation, partnership, unincorporated association or other entity of which such Person is a director, officer or partner, or is, directly or indirectly, the owner of 20% or more of any class of Voting Stock; (b) any trust or other estate in which such Person has at least a twenty percent (20%) beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; and (c) any relative or spouse of such Person, or any relative of such spouse, who has the same residence as such Person.
- (iii) “**Business Combination**” means:
- (a) any merger or consolidation of the Corporation (other than pursuant to Section 251(g), Section 253 or Section 267 of the Delaware General Corporation Law) or any direct or indirect majority-owned subsidiary of the Corporation with (A) the Interested Stockholder, or (B) with any Person if the merger or consolidation is caused by the Interested Stockholder and as a result of such merger or consolidation Section B of this Article IX is not applicable to the surviving entity.

- (b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the Interested Stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to ten percent (10%) or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding Stock of the Corporation.
- (c) any transaction or series of transactions which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of ten percent (10%) or more of any class or series of Stock of the Corporation or of such subsidiary to the Interested Stockholder, except: (A) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into Stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the Interested Stockholder became such; (B) pursuant to a merger under Section 251(g) or Section 253 or Section 267 of the Delaware General Corporation Law; (C) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into Stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of Stock of the Corporation subsequent to the time the Interested Stockholder became such; or (D) pursuant to an exchange offer by the Corporation to purchase Stock made on the same terms to all holders of such Stock.
- (iv) **“Control,”** including the terms “controlling,” “controlled by” and “under common control with,” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of stock or other equity interests, by contract or otherwise. A Person who is the owner of twenty percent (20%) or more of the outstanding Voting Stock of any corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary; notwithstanding the foregoing, a presumption of control shall not apply where such Person holds Voting Stock, in good faith and not for the purpose of circumventing this Article IX, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity;
- (v) **“Interested Stockholder”** means any Person (other than the Corporation and any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of fifteen percent (15%) or more of the outstanding Voting Stock of the Corporation, or (ii) is an Affiliate or Associate of the Corporation and was the owner of fifteen percent (15%) or more of the outstanding Voting Stock of the Corporation at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such Person is an Interested Stockholder, and the Affiliates and Associates of such Person. Notwithstanding anything in this Article IX to the contrary, the term **“Interested Stockholder”** shall not include: (x) the Investors or any of their Affiliates or Associates, including any investment funds managed by the Investors, or any other Person with whom any of the foregoing are acting as a group or in concert for the

purpose of acquiring, holding, voting or disposing of shares of Stock of the Corporation; (y) any Person who would otherwise be an Interested Stockholder because of a transfer, sale, assignment, conveyance, hypothecation, encumbrance, or other disposition of five percent (5%) or more of the outstanding Voting Stock of the Corporation (in one transaction or a series of transactions) by any party specified in the immediately preceding clause (x) to such Person; *provided, however*, that such Person was not an Interested Stockholder prior to such transfer, sale, assignment, conveyance, hypothecation, encumbrance, or other disposition; or (z) any Person whose ownership of shares in excess of the fifteen percent (15%) limitation set forth herein is the result of action taken solely by the Corporation, *provided that*, for purposes of this clause (z), such Person shall be an Interested Stockholder if thereafter such Person acquires additional shares of Voting Stock of the Corporation, except as a result of further action by the Corporation not caused, directly or indirectly, by such Person;

- (vi) **“Owner,”** including the terms **“own”** and **“owned,”** when used with respect to any Stock, means a Person that individually or with or through any of its affiliates or associates beneficially owns such Stock, directly or indirectly; or has (A) the right to acquire such Stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; *provided, however*, that a Person shall not be deemed the owner of Stock tendered pursuant to a tender or exchange offer made by such Person or any of such Person’s Affiliates or Associates until such tendered Stock is accepted for purchase or exchange; or (B) the right to vote such Stock pursuant to any agreement, arrangement or understanding; *provided, however*, that a Person shall not be deemed the owner of any Stock because of such Person’s right to vote such Stock if the agreement, arrangement or understanding to vote such Stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more Persons; or has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in (B) of this Section D(vi) of Article IX), or disposing of such Stock with any other Person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such Stock; *provided, that*, for the purpose of determining whether a Person is an Interested Stockholder, the Voting Stock of the Corporation deemed to be outstanding shall include Stock deemed to be owned by the Person through application of this definition of “owned” but shall not include any other unissued Stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise;
- (vii) **“Person”** means any individual, corporation, partnership, unincorporated association or other entity;
- (viii) **“Stock”** means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest;
- (ix) **“Voting Stock”** means, with respect to any corporation, Stock of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity. Every reference to a percentage of Voting Stock shall refer to such percentage of the votes of such Voting Stock.

ARTICLE X

The Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws. Any adoption, amendment or repeal of the Bylaws by the Board of Directors shall require the approval of a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any resolution providing for adoption, amendment or repeal is presented to the Board of Directors). The stockholders shall also have power to adopt, amend or repeal the Bylaws. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any adoption, amendment or repeal of Bylaws by the stockholders shall require, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by this Certificate, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE XI

The Corporation reserves the right to amend or repeal any provision contained in this Certificate in the manner prescribed by the laws of the State of Delaware and all rights conferred upon stockholders are granted subject to this reservation; provided, that, notwithstanding any other provision of this Certificate or any provision of law which might otherwise permit a lesser vote or no vote, but subject to the rights of the holders of any series of Preferred Stock then outstanding and in addition to any vote of the holders of any class or series of the stock of this Corporation required by law or by this Certificate, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal any of the Articles in this Certificate.

ARTICLE XII

If any provision of this Certificate becomes or is declared on any ground by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Certificate, and the court will replace such illegal, void or unenforceable provision of this Certificate with a valid and enforceable provision that most accurately reflects the Corporation's intent, in order to achieve, to the maximum extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Certificate shall be enforceable in accordance with its terms.

ARTICLE XIII

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee, agent or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (c) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, this Certificate or the Bylaws or as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware or (d) any action asserting a claim governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of

capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article XIII. In addition, unless the Corporation consents in writing to the selection of an alternative forum, the U.S. federal district courts shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Notwithstanding anything herein to the contrary, this Article XIII shall not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or the rules and regulations under the Exchange Act, or any other claim for which the U.S. federal courts have exclusive jurisdiction. To the fullest extent permitted by applicable law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this Article XIII.

* * *

AMENDED AND RESTATED BYLAWS

OF

BIGCOMMERCE HOLDINGS, INC.

*Effective as of*ARTICLE I
CORPORATE OFFICES

1.1 Registered Office. The address of the registered office of BigCommerce Holdings, Inc. (the “*Corporation*”) in the State of Delaware, and the name of its registered agent at such address, shall be as set forth in the Corporation’s certificate of incorporation, as the same may be amended and/or restated from time to time (the “*Certificate of Incorporation*”)

1.2 Other Offices. The Corporation may have an office or offices other than its registered office at such place or places, either within or outside the State of Delaware, as the Board of Directors of the Corporation (the “*Board*”) may from time to time determine or the business of the Corporation may require.

ARTICLE II
STOCKHOLDERS

2.1 Place of Meetings. All meetings of stockholders shall be held at such place (if any) within or without the State of Delaware as may be determined from time to time by the Board or, if not determined by the Board, by the Chairperson of the Board, the President or the Chief Executive Officer; provided that the Board may, in its sole discretion, determine that any meeting of stockholders shall not be held at any place but shall be held solely by means of remote communication in accordance with Section 2.13.

2.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held on a date to be fixed by the Board at a time to be fixed by the Board and stated in the notice of the meeting.

2.3 Special Meetings. Subject to the Certificate of Incorporation, the rights of the holders of any series of preferred stock then outstanding and to the requirements of applicable law, special meetings of the stockholders of the Corporation may be called only by the Board acting pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption), the Chairperson of the Board, or the Chief Executive Officer and may not be called by any other person or persons. Any business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of the meeting.

2.4 Notice of Meetings.

(a) Written notice of each meeting of stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting as of the record date fixed by the Board for determining the stockholders entitled to notice of the meeting, except as otherwise provided herein or as required by law (meaning here and hereafter, as required from time to time by the Delaware General

Corporation Law (the “**DGCL**”) or the Certificate of Incorporation. The notice of any meeting shall state the place, if any, date and hour of the meeting, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called.

(b) Notice to stockholders shall be delivered in writing or in any other manner permitted by the DGCL. If mailed, such notice shall be delivered by postage prepaid envelope directed to each stockholder at such stockholder’s address as it appears in the records of the Corporation and shall be deemed given when deposited in the United States mail. Notice given by electronic transmission pursuant to this subsection shall be deemed given: (1) if by facsimile telecommunication, when directed to a facsimile telecommunication number at which the stockholder has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (3) if by posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the Corporation that the notice has been given by personal delivery, by mail, or by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(c) Notice of any meeting of stockholders need not be given to any stockholder if waived by such stockholder either in a writing signed by such stockholder or by electronic transmission, whether such waiver is given before or after such meeting is held. If such a waiver is given by electronic transmission, the electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder.

2.5 Voting List. The officer who has charge of the stock ledger of the Corporation shall prepare, at least 10 days before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order for each class of stock and showing the mailing address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least 10 days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, (b) during ordinary business hours at the principal place of business of the Corporation or (c) in any other manner provided by law. If the meeting is to be held at a place, the list shall be produced and kept at the time and place of the meeting during the whole time of the meeting, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. The stock ledger shall be the only evidence as to the stockholders who are entitled to examine the list required by this Section 2.5 or to vote in person or by proxy at any meeting of stockholders.

2.6 Quorum. Except as otherwise provided by law or these Bylaws, the holders of a majority of the shares of the capital stock of the Corporation entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business. Where a separate class vote by a class or classes or series is required, a majority of the shares of such class or classes or series present in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter.

2.7 Adjournments. Any meeting of stockholders may be adjourned to any other time and to any other place at which a meeting of stockholders may be held under these Bylaws by the chairperson of the meeting or, in the absence of such person, by any officer entitled to preside at or to act as secretary of such meeting, or by the holders of a majority of the shares of stock present or represented at the meeting and entitled to vote, although less than a quorum. When a meeting is adjourned to another place, date or time, written notice need not be given of the adjourned meeting if the date, time and place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than 30 days after the date for which the meeting was originally noticed, or if the Board fixes a new record date for determining the stockholders entitled to vote at the adjourned meeting in accordance with Section 5.5, written notice of the place, if any, date and time of the adjourned meeting and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting, shall be given in conformity herewith. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

2.8 Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided by law or in the Certificate of Incorporation. Each stockholder of record entitled to vote at a meeting of stockholders may vote in person or may authorize any other person or persons to vote or act for such stockholder by a written proxy executed by the stockholder or the stockholder's authorized agent or by an electronic transmission permitted by law and delivered to the Secretary of the Corporation. Any copy, facsimile transmission or other reliable reproduction of the writing or electronic transmission created pursuant to this section may be substituted or used in lieu of the original writing or electronic transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile transmission or other reproduction shall be a complete reproduction of the entire original writing or electronic transmission.

2.9 Action at Meeting.

(a) At any meeting of stockholders for the election of one or more directors at which a quorum is present, the election shall be determined by a plurality of the votes cast by the stockholders entitled to vote at the election.

(b) All other matters shall be determined by a majority in voting power of the shares present in person or represented by proxy and entitled to vote on the matter (or if there are two or more classes of stock entitled to vote as separate classes, then in the case of each such class, a majority of the shares of each such class present in person or represented by proxy and entitled to vote on the matter shall decide such matter), provided that a quorum is present, except when a different vote is required by express provision of law, the Certificate of Incorporation or these Bylaws.

(c) All voting, including on the election of directors, but excepting where otherwise required by law, may be by a voice vote; provided, that upon demand therefor by a stockholder entitled to vote or the stockholder's proxy, a vote by ballot shall be taken. Each ballot shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting. The Corporation may, and to the extent required by law, shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as an alternate inspector to

replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting may, and to the extent required by law, shall, appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath to faithfully execute the duties of inspector with strict impartiality and according to the best of his ability.

2.10 Stockholder Business (Other Than the Election of Directors).

(a) Only such business (other than nominations for election of directors, which is governed by Section 3.16 of these Bylaws) shall be conducted as shall have been properly brought before an annual meeting. To be properly brought before an annual meeting, business must be either (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the meeting by or at the direction of the Board, or (iii) otherwise properly brought before the meeting by a stockholder who (A) is a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner is the beneficial owner of shares of the Corporation) both at the time of giving the notice provided for in this Section 2.10 and at the time of the meeting, (B) is entitled to vote at the meeting and (C) has complied with the notice procedures set forth in this Section 2.10 as to such business. For any business to be properly brought before an annual meeting by a stockholder (other than nominations for election of directors, which is governed by Section 3.16 of these Bylaws), it must be a proper matter for stockholder action under the DGCL, and the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be in writing and must be received at the Corporation's principal executive offices not later than ninety (90) days nor earlier than one hundred twenty (120) days prior to the first anniversary of the date of the preceding year's annual meeting as first specified in the Corporation's notice of meeting (without regard to any postponements or adjournments of such meeting after such notice was first sent), provided, however, that if no annual meeting was held in the previous year or the date of the annual meeting is advanced by more than thirty (30) days, or delayed (other than as a result of adjournment) by more than thirty (30) days from the anniversary of the previous year's annual meeting, notice by the stockholder to be timely must be received not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the date on which public announcement of the date of such meeting is first made. "**Public announcement**" for purposes hereof shall have the meaning set forth in Section 3.16(c) of these Bylaws. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. For business to be properly brought before a special meeting by a stockholder, the business must be limited to the purpose or purposes set forth in a request under Section 2.3.

(b) A stockholder's notice to the Secretary of the Corporation shall set forth (i) as to each matter the stockholder proposes to bring before the annual meeting, a brief description of the business desired to be brought before the annual meeting and the text of the proposal or business, including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment, and (ii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is being made, and any of their respective affiliates or associates (each within the meaning of Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) or others acting in concert therewith (each, a "**Proposing Person**"). (A) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business and of any other Proposing Person, (B) the class or series and number of shares of the Corporation which are owned beneficially and of record by the stockholder and any other Proposing Person as of the date of the notice, and a representation that the stockholder will notify the Corporation in writing within five (5) business days after the record

date for voting at the meeting of the class or series and number of shares of the Corporation owned beneficially and of record by the stockholder and any other Proposing Person as of the record date for voting at the meeting, (C) a representation that the stockholder intends to appear in person or by proxy at the meeting to propose the business specified in the notice, (D) any material interest of the stockholder and any other Proposing Person in such business, (E) the following information regarding the ownership interests of the stockholder and any other Proposing Person which shall be supplemented in writing by the stockholder not later than ten (10) days after the record date for voting at the meeting to disclose such interests as of such record date: (1) a description of any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, any derivative or synthetic arrangement having the characteristics of a long position in any class or series of shares of the Corporation, or any contract, derivative, swap or other transaction or series of transactions designed to produce economic benefits and risks that correspond substantially to the ownership of any class or series of shares of the Corporation, including due to the fact that the value of such contract, derivative, swap or other transaction or series of transactions is determined by reference to the price, value or volatility of any class or series of shares of the Corporation, whether or not such instrument, contract or right shall be subject to settlement in the underlying class or series of shares of the Corporation, through the delivery of cash or other property, or otherwise, and without regard to whether the stockholder of record or any other Proposing Person may have entered into transactions that hedge or mitigate the economic effect of such instrument, contract or right (a "**Derivative Instrument**") directly or indirectly owned beneficially by such stockholder or other Proposing Person, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation; (2) a description of any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder or other Proposing Person has a right to vote any shares of any security of the Corporation; (3) a description of any agreement, arrangement, understanding, relationship or otherwise, including any repurchase or similar so-called "stock borrowing" agreement or arrangement, engaged in, directly or indirectly, by such stockholder or other Proposing Person, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of any class or series of the shares of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such stockholder or other Proposing Person with respect to any class or series of the shares of the Corporation, or which provides, directly or indirectly, the opportunity to profit or share in any profit derived from any decrease in the price or value of any class or series of the shares of the Corporation ("**Short Interests**"); (4) a description of any rights to dividends on the shares of the Corporation owned beneficially by such stockholder or other Proposing Person that are separated or separable from the underlying shares of the Corporation; (5) a description of any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or other Proposing Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; (6) a description of any performance-related fees (other than an asset-based fee) to which such stockholder or other Proposing Person is entitled based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including, without limitation, any such interests held by members of such stockholder's or other Proposing Person's immediate family sharing the same household; (7) a description of any significant equity interests or any Derivative Instruments or Short Interests in any principal competitor of the Corporation held by such stockholder or other Proposing Person; and (8) a description of any direct or indirect interest of such stockholder or other Proposing Person in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), and (F) any other information relating to such stockholder or other Proposing Person, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

(c) Unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this section, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission of the writing) delivered to the Corporation prior to the making of such proposal at such meeting by such stockholder stating that such person is authorized to act for such stockholder as proxy at the meeting of stockholders.

(d) Notwithstanding the foregoing provisions of this Section 2.10, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.10; *provided however*, that any references in this Section 2.10 to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to proposals as to any business to be considered pursuant to this Section 2.10. Nothing in this Section 2.10 shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of preferred stock if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws.

(e) Notwithstanding any provisions to the contrary, the notice requirements set forth in subsections (a) and (b) above shall be deemed satisfied by a stockholder if the stockholder has notified the Corporation of the stockholder's intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

2.11 Conduct of Business. At every meeting of the stockholders, the Chairperson of the Board, or, in his absence, the Chief Executive Officer, or, in his absence, such other person as may be appointed by the Board, shall act as chairperson. The Secretary of the Corporation or a person designated by the chairperson of the meeting shall act as secretary of the meeting. Unless otherwise approved by the chairperson of the meeting, attendance at the stockholders' meeting is restricted to stockholders of record, persons authorized in accordance with Section 2.8 of these Bylaws to act by proxy, and officers of the Corporation.

The chairperson of the meeting shall call the meeting to order, establish the agenda, and conduct the business of the meeting in accordance therewith or, at the chairperson's discretion, the business of the meeting may be conducted otherwise in accordance with the wishes of the stockholders in attendance. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting.

The chairperson shall also conduct the meeting in an orderly manner, rule on the precedence of, and procedure on, motions and other procedural matters, and exercise discretion with respect to such procedural matters with fairness and good faith toward all those entitled to take part. Without limiting the foregoing, the chairperson may (a) restrict attendance at any time to bona fide stockholders of record and their proxies and other persons in attendance at the invitation of the presiding officer or Board, (b) restrict use of audio or video recording devices at the meeting, and (c) impose reasonable limits on the amount of time taken up at the meeting on discussion in general or on remarks by any one stockholder. Should any

person in attendance become unruly or obstruct the meeting proceedings, the chairperson shall have the power to have such person removed from the meeting. Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at a meeting except in accordance with the procedures set forth in Section 2.10, this Section 2.11 and Section 3.12. The chairperson of the meeting, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the provisions of Section 2.10, this Section 2.11 and Section 3.12, and if he should so determine that any proposed nomination or business is not in compliance with such sections, he shall so declare to the meeting that such defective nomination or proposal shall be disregarded.

2.12 Stockholder Action Without Meeting. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders; provided, however, that any action required or permitted to be taken by the holders of preferred stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable certificate of designation relating to such series of preferred stock.

2.13 Meetings by Remote Communication. If authorized by the Board, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxy holders not physically present at a meeting of stockholders may, by means of remote communication, participate in the meeting and be deemed present in person and vote at the meeting, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (a) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxy holder, (b) the Corporation shall implement reasonable measures to provide such stockholders and proxy holders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (c) if any stockholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

ARTICLE III BOARD OF DIRECTORS

3.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of a Board, who may exercise all of the powers of the Corporation except as otherwise provided by law or the Certificate of Incorporation. In the event of a vacancy on the Board, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

3.2 Election. Subject to the rights of the holders of any series of preferred stock to elect directors under specified circumstances, members of the Board shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors; *provided that*, whenever the holders of any class or series of capital stock of the Corporation are entitled to elect one or more directors pursuant to the provisions of the Certificate of Incorporation (including, but not limited to, any duly authorized certificate of designation), such directors shall be elected by a plurality of the votes of such class or series present in person or represented by proxy at the meeting and entitled to vote in the election of such directors. Elections of directors need not be by written ballot.

3.3 Number and Term. Subject to the rights of the holders of any series of preferred stock to elect directors under specified circumstances, the number of directors shall initially be seven (7) and, thereafter, shall be fixed from time to time exclusively by the Board pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption).

3.4 Resignations. Any director may resign at any time upon notice given in writing or by electronic transmission to the Board, the Chairperson of the Board, the Chief Executive Officer of the Corporation or the Secretary. The resignation shall take effect at the time specified therein, and if no time is specified, at the time of its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise expressly provided in the resignation.

3.5 Removal. Subject to the rights of the holders of any series of preferred stock to elect directors under specified circumstances, directors may only be removed for cause and only upon the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

3.6 Vacancies and Newly Created Directorships. Except as otherwise provided by applicable law, vacancies occurring in any directorship (whether by death, resignation, retirement, disqualification, removal or other cause) and newly created directorships resulting from any increase in the number of directors shall be filled in accordance with the Certificate of Incorporation. Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be duly elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

3.7 Regular Meetings. Regular meetings of the Board may be held without notice at such time and place, either within or without the State of Delaware, as shall be determined from time to time by the Board; *provided that* any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board may be held without notice immediately after and at the same place as the annual meeting of stockholders.

3.8 Special Meetings. Special meetings of the Board may be called by the Chairperson of the Board, the Chief Executive Officer, the President or a majority of the directors then in office and may be held at any time and place, within or without the State of Delaware.

3.9 Notice of Special Meetings. Notice of any special meeting of directors shall be given to each director by whom it is not waived by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director by (a) giving notice to such director in person or by telephone, electronic transmission or voice message system at least 24 hours in advance of the meeting, (b) sending a facsimile to such director's last known facsimile number, or delivering written notice by hand to such director's last known business or home address, at least 24 hours in advance of the meeting, or (c) mailing written notice to such director's last known business or home address at least three days in advance of the meeting. A notice or waiver of notice of a meeting of the Board need not specify the purposes of the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

3.10 Participation in Meetings by Telephone Conference Calls or Other Methods of Communication. Directors or any members of any committee designated by the directors may participate in a meeting of the Board or such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

3.11 Quorum; Adjournment. A majority of the total number of authorized directors shall constitute a quorum at any meeting of the Board. In the absence of a quorum at any such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board or at a meeting of a committee which authorizes a particular contract or transaction.

3.12 Action at Meeting. At any meeting of the Board at which a quorum is present, the vote of a majority of those present shall be sufficient to take any action, unless a different vote is specified by law, the Certificate of Incorporation or these Bylaws.

3.13 Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board or of any committee of the Board may be taken without a meeting if all members of the Board or committee, as the case may be, consent to the action in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

3.14 Committees. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation, with such lawfully delegated powers and duties as it therefor confers; *provided* that, the committee membership of each committee designated by the Board will comply with the applicable rules of the exchange on which any securities of the Corporation are listed. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board and subject to the provisions of the DGCL, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board may from time to time request. Except as the Board may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these Bylaws for the Board. Unless otherwise provided in the Certificate of Incorporation, these Bylaws or the resolutions of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee consists of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

3.15 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board may from time to time determine. No such payment shall preclude any director from serving the Corporation or any of its parent or subsidiary Corporations in any other capacity and receiving compensation for such service.

3.16 Nomination of Director Candidates. Subject to the rights of holders of any class or series of preferred stock then outstanding, nominations for the election of directors at an annual meeting may be made by (i) the Board or a duly authorized committee thereof or (ii) by any stockholder of the Corporation who is a stockholder of record at the time of giving the notice provided for in paragraphs (b) and (c) of this Section 3.16, who is entitled to vote at the meeting and who complies with the procedures set forth in this Section 3.16.

(a) All nominations by stockholders must be made pursuant to timely notice given in writing to the Secretary of the Corporation. To be timely, a stockholder's nomination for a director to be elected at an annual meeting must be received at the Corporation's principal executive offices not later than ninety (90) days nor earlier than one hundred twenty (120) days prior to the first anniversary of the date of the preceding year's annual meeting as first specified in the Corporation's notice of meeting (without regard to any postponements or adjournments of such meeting after such notice was first sent), provided, however, that if no annual meeting was held in the previous year or the date of the annual meeting is advanced by more than thirty (30) days or delayed (other than as a result of adjournment) by more than thirty (30) days from the first anniversary of the previous year's annual meeting, notice by the stockholder to be timely must be received not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the date on which public announcement of the date of such meeting is first made. Each such notice shall set forth (i) as to the stockholder and the beneficial owner, if any, on whose behalf the nomination is being made, and any of their respective affiliates or associates or others acting in concert therewith (each, a "**Nominating Person**"), the name and address, as they appear on the Corporation's books, of the stockholder who intends to make the nomination and of any other Nominating Person, (ii) the class or series and number of shares of the Corporation which are owned beneficially and of record by the stockholder and any other Nominating Person as of the date of the notice, and a representation that the stockholder will notify the Corporation in writing within five (5) business days after the record date for voting at the meeting of the class or series and number of shares of the Corporation owned beneficially and of record by the stockholder and any other Nominating Person as of the record date for voting at the meeting, (iii) a representation that the stockholder intends to appear in person or by proxy at the meeting to nominate the nominee specified in the notice, (iv) the following information regarding the ownership interests of the stockholder and any other Nominating Person, which shall be supplemented in writing by the stockholder not later than ten (10) days after the record date for notice of the meeting to disclose such interests as of such record date: (A) a description of any Derivative Instrument directly or indirectly owned beneficially by such stockholder or other Nominating Person, and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation; (B) a description of any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder or other Nominating Person has a right to vote any shares of any security of the Corporation; (C) a description of any Short Interests in any securities of the Corporation directly or indirectly owned beneficially by such stockholder or other Nominating Person; (D) a description of any rights to dividends on the shares of the Corporation owned beneficially by such stockholder or other Nominating Person that are separated or separable from the underlying shares of the Corporation; (E) a description of any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or other Nominating Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; (F) a description of any performance-related fees (other than an asset-based fee) to which such stockholder or other Nominating Person is entitled based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including, without limitation, any such interests held by members of such stockholder's or other Nominating Person's immediate family sharing the same household; (G) a description of any significant equity interests or any Derivative Instruments or Short Interests in any principal competitor of the Corporation held by such stockholder or other Nominating Person; and (H) a description of any direct or indirect interest of such stockholder or other Nominating Person in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (v) a description of all arrangements or understandings between the stockholder or other Nominating Person and each nominee and any other person or persons

(naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder, (vi) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and any other Nominating Person, on the one hand, and each nominee, and his respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder and any Nominating Person, if any, or any affiliate or associate thereof or person acting in concert therewith, were the “registrant” for purposes of such rule and the nominee were a director or executive officer of such registrant, (vii) such other information regarding each nominee as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC, had the nominee been nominated, or intended to be nominated, by the Board, and (viii) the signed consent of each nominee to serve as a director of the Corporation if so elected. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder’s notice as described above. Notwithstanding the second sentence of this Section 3.16(b), in the event that the number of directors to be elected at an annual meeting is increased and there is no public announcement by the Corporation naming the nominees for the additional directorships at least 100 days prior to the one-year anniversary of the date of the preceding year’s annual meeting as first specified in the Corporation’s notice of meeting (without regard to any postponements or adjournments of such meeting after such notice was first sent), a stockholder’s notice required by this Section 3.16(b) shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(b) Subject to the rights of holders of any class or series of preferred stock then outstanding, nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation’s notice of meeting (i) by or at the direction of the Board or a committee thereof or (ii) by any stockholder who complies with the notice procedures set forth in this Section 3.16 and who is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as are specified in the Corporation’s notice of meeting, if the stockholder’s notice as required by Section 3.12(a) is delivered to the Secretary at the principal executive offices of the Corporation not earlier than ninety (90) days prior to such special meeting and not later than the close of business on the later of the sixtieth (60th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder’s notice as described above.

(c) For purposes of these Bylaws, “**public announcement**” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed or furnished by the Corporation with the SEC pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(d) Only those persons who are nominated in accordance with the procedures set forth in this section shall be eligible for election as directors at any meeting of stockholders. The Chairperson of the Board or Secretary may, if the facts warrant, determine that a notice received by the Corporation relating to a nomination proposed to be made does not satisfy the requirements of this Section 3.16 (including if the stockholder does not provide the updated information required under Section 3.12(b) to

the Corporation within five (5) business days following the record date for the meeting), and if it be so determined, shall so declare and any such nomination shall not be introduced at such meeting of stockholders, notwithstanding that proxies in respect of such vote may have been received. The chairperson of the meeting shall have the power and duty to determine whether a nomination brought before the meeting was made in accordance with the procedures set forth in this section, and, if any nomination is not in compliance with this section (including if the stockholder does not provide the updated information required under Section 3.12(b) to the Corporation within five (5) business days following the record date for the meeting), to declare that such defective nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received. Unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting or a special meeting of stockholders of the Corporation to present a nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 3.16, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission of the writing) delivered to the Corporation prior to the making of such nomination at such meeting by such stockholder stating that such person is authorized to act for such stockholder as proxy at the meeting of stockholders.

(e) Notwithstanding the foregoing provisions of this Section 3.16, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 3.16; provided however, that any references in this Section 3.16 to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations to be considered pursuant to this Section 3.16. Nothing in this Section 3.16 shall be deemed to affect any rights of the holders of any series of preferred stock if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws.

3.17 Reliance on Books and Records. A member of the Board, or a member of any committee designated by the Board shall, in the performance of such members' duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE IV OFFICERS

4.1 Enumeration. The officers of the Corporation shall consist of a Chief Executive Officer, a President, a Secretary, a Treasurer, a Chief Financial Officer and such other officers with such other titles as the Board shall determine, including, at the discretion of the Board, a Chairperson of the Board and one or more Vice Presidents and Assistant Secretaries. The Board may appoint such other officers as it may deem appropriate.

4.2 Election. Officers shall be elected annually by the Board at its first meeting following the annual meeting of stockholders. Officers may be appointed by the Board at any other meeting.

4.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

4.4 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws, each officer shall hold office until such officer's successor is elected and qualified, unless a different term is specified in the vote appointing the officer, or until such officer's earlier death, resignation or removal.

4.5 Resignation and Removal. Any officer may resign by delivering his written resignation to the Corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. Any officer elected by the Board may be removed at any time, with or without cause, by the Board.

4.6 Chairperson of the Board. The Board may appoint a Chairperson of the Board. If the Board appoints a Chairperson of the Board, the Chairperson of the Board shall perform such duties and possess such powers as are assigned to the Chairperson by the Board and these Bylaws. Unless otherwise provided by the Board, the Chairperson of the Board shall preside at all meetings of the Board.

4.7 Chief Executive Officer. The Chief Executive Officer of the Corporation shall, subject to the direction of the Board, have general supervision, direction and control of the business and the officers of the Corporation. The Chief Executive Officer shall preside at all meetings of the stockholders and, in the absence or nonexistence of a Chairperson of the Board, at all meetings of the Board. The Chief Executive Officer shall have the general powers and duties of management usually vested in the chief executive officer of a Corporation, including general supervision, direction and control of the business and supervision of other officers of the Corporation, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

4.8 President. Subject to the direction of the Board and such supervisory powers as may be given by these Bylaws or the Board to the Chairperson of the Board or the Chief Executive Officer, if such titles be held by other officers, the President shall have general supervision, direction and control of the business and supervision of other officers of the Corporation. Unless otherwise designated by the Board, the President shall be the Chief Executive Officer of the Corporation. The President shall have such other powers and duties as may be prescribed by the Board or these Bylaws. The President shall have power to sign stock certificates, contracts and other instruments of the Corporation which are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Corporation, other than the Chairperson of the Board and the Chief Executive Officer.

4.9 Vice Presidents. Any Vice President shall perform such duties and possess such powers as the Board, the Chief Executive Officer or the President may from time to time prescribe. In the event of the absence, inability or refusal to act of the President, the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board) shall perform the duties of the President and when so performing shall have all the powers of and be subject to all the restrictions upon the President. The Board may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board.

4.10 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board or the President may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are set forth in these Bylaws and as are incident to the office of the Secretary, including, without limitation, the duty and power to give notices of all meetings of stockholders and special meetings of the Board, to keep a record of the proceedings of all meetings of stockholders and the Board, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board, the Chief Executive Officer, the President or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the person presiding at the meeting shall designate a temporary secretary to keep a record of the meeting.

4.11 Treasurer. The Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation, the duty and power to keep and be responsible for all funds and securities of the Corporation, to maintain the financial records of the Corporation, to deposit funds of the Corporation in depositories as authorized, to disburse such funds as authorized, to make proper accounts of such funds, and to render as required by the Board accounts of all such transactions and of the financial condition of the Corporation.

4.12 Chief Financial Officer. The Chief Financial Officer shall perform such duties and shall have such powers as may from time to time be assigned to the Chief Financial Officer by the Board, the Chief Executive Officer or the President. Unless otherwise designated by the Board, the Chief Financial Officer shall be the Treasurer of the Corporation.

4.13 Salaries. Officers of the Corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board.

4.14 Delegation of Authority. The Board may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

ARTICLE V CAPITAL STOCK

5.1 Issuance of Stock. Subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the Corporation or the whole or any part of any unissued balance of the authorized capital stock of the Corporation held in its treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board in such manner, for such consideration and on such terms as the Board may determine.

5.2 Stock Certificates. The shares of stock of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any class or series of stock of the Corporation shall be uncertificated shares; provided, however, that no such resolution shall apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock of the Corporation represented by certificates, and, upon written request to the Corporation's transfer agent or registrar, any holder of uncertificated shares, shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board, certifying the number and class of shares of stock owned by such stockholder in the Corporation. Each such certificate shall be signed by, or in the name of the Corporation by, the Chairperson or Vice Chairperson, if any, of the Board, or the President or a Vice President, and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation. Any or all of the signatures on the certificate may be a facsimile.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, the Bylaws, applicable securities laws or any agreement among any number of stockholders or among such holders and the Corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

5.3 Transfers. Except as otherwise established by rules and regulations adopted by the Board, and subject to applicable law, shares of stock may be transferred on the books of the Corporation: (i) in the case of shares represented by a certificate, by the surrender to the Corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or authenticity of signature as the Corporation or its transfer agent may reasonably require; and (ii) in the case of uncertificated shares, upon the receipt of proper transfer instructions from the registered owner thereof. Except as may be otherwise required by law, the Certificate of Incorporation or the Bylaws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the Corporation in accordance with the requirements of these Bylaws.

5.4 Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate in place of any previously issued certificate alleged to have been lost, stolen, or destroyed, or it may issue uncertificated shares if the shares represented by such certificate have been designated as uncertificated shares in accordance with Section 5.2, upon such terms and conditions as the Board may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity as the Board may require for the protection of the Corporation or any transfer agent or registrar.

5.5 Record Dates. The Board may fix in advance a record date for the determination of the stockholders entitled to vote at any meeting of stockholders. Such record date shall not precede the date on which the resolution fixing the record date is adopted and shall not be more than 60 nor less than 10 days before the date of such meeting.

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

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

The Board may fix in advance a record date (a) for the determination of stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, concession or exchange of stock, or (b) for the purpose of any other lawful action. Any such record date shall not precede the date on which the resolution fixing the record date is adopted and shall not be more than 60 days prior to the action to which such record date relates. If no record date is fixed by the Board, the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting when no prior action by the Board is necessary shall be the date on which the first written consent is expressed. The record date for determining stockholders for any other purpose shall be the close of business on the day on which the Board adopts the resolution relating to such purpose.

**ARTICLE VI
GENERAL PROVISIONS**

6.1 Fiscal Year. The fiscal year of the Corporation shall be as fixed by the Board.

6.2 Waiver of Notice. Whenever any notice whatsoever is required to be given by law, by the Certificate of Incorporation or by these Bylaws, a waiver of such notice either in writing signed by the person entitled to such notice or such person's duly authorized attorney, or by electronic transmission or any other method permitted under the DGCL, whether before, at or after the time stated in such waiver, or the appearance of such person or persons at such meeting in person or by proxy, shall be deemed equivalent to such notice. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting shall constitute waiver of notice except attendance for the sole purpose of objecting to the timeliness or manner of notice.

6.3 Actions with Respect to Securities of Other Corporations. Except as the Board may otherwise designate, the Chief Executive Officer or President or any officer of the Corporation authorized by the Chief Executive Officer or President shall have the power to vote and otherwise act on behalf of the Corporation, in person or by proxy, and may waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact to this Corporation (with or without power of substitution) at any meeting of stockholders or shareholders (or with respect to any action of stockholders) of any other Corporation or organization, the securities of which may be held by this Corporation and otherwise to exercise any and all rights and powers that this Corporation may possess by reason of this Corporation's ownership of securities in such other Corporation or other organization.

6.4 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the Corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

6.5 Certificate of Incorporation. All references in these Bylaws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended and in effect from time to time.

6.6 Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these Bylaws.

6.7 Pronouns. All pronouns used in these Bylaws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

6.8 Notices. Except as otherwise specifically provided herein or required by law, all notices required to be given to any stockholder, director, officer, employee or agent of the Corporation shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage paid, or by sending such notice by commercial courier service, or by facsimile or other electronic transmission, provided that notice to stockholders by electronic transmission shall be given in the manner provided in Section 232 of the DGCL. Any such notice shall be addressed to such stockholder, director, officer, employee or agent at his, her or its last known address as the same appears on the books of the Corporation. The time when such notice shall be deemed to be given shall be the time such notice is received by such stockholder, director, officer, employee or agent, or by any person accepting such notice on behalf of such person, if delivered by hand, facsimile, other electronic transmission or commercial courier service, or the time such notice is dispatched, if delivered through the mails. Without limiting the manner by which notice otherwise may be given effectively,

notice to any stockholder shall be deemed given: (a) if by facsimile, when directed to a number at which the stockholder has consented to receive notice; (b) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (c) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (i) such posting and (ii) the giving of such separate notice; (d) if by any other form of electronic transmission, when directed to the stockholder; and (e) if by mail, when deposited in the mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

6.9 Reliance Upon Books, Reports and Records. Each director, each member of any committee designated by the Board, and each officer of the Corporation shall, in the performance of such individual's duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation as provided by law, including reports made to the Corporation by any of its officers, by an independent certified public accountant, or by an appraiser selected with reasonable care.

6.10 Time Periods. In applying any provision of these Bylaws which require that an act be done or not done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

6.11 Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board or a committee thereof.

6.12 Voting of Securities Owned by the Corporation. All stock and other securities of other Corporations owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board, or, in the absence of such authorization, the Chief Executive Officer, the President, or any Vice President.

ARTICLE VII AMENDMENTS

7.1 By the Board. Except as otherwise set forth in these Bylaws, these Bylaws may be altered, amended or repealed or new Bylaws may be adopted only in accordance with Article X of the Certificate of Incorporation.

7.2 By the Stockholders. Except as otherwise set forth in these Bylaws, and subject to the Certificate of Incorporation, these Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of all of the shares of capital stock of the Corporation issued and outstanding and entitled to vote generally in any election of directors, voting together as a single class. Such vote may be held at any annual meeting of stockholders, or at any special meeting of stockholders provided that notice of such alteration, amendment, repeal or adoption of new Bylaws shall have been stated in the notice of such special meeting.

ARTICLE VIII INDEMNIFICATION OF DIRECTORS AND OFFICERS

8.1 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative ("**proceeding**"), by reason of the fact that such person or a person of whom he or she is the

legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another Corporation, or as a controlling person of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director or officer, or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment) against all expenses, liability and loss reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of his heirs, executors and administrators; provided, that except as provided in Section 8.2 of this Article VIII, the Corporation shall indemnify any such person seeking indemnity in connection with a proceeding (or part thereof) initiated by such person only if (a) such indemnification is expressly required to be made by law, (b) the proceeding (or part thereof) was authorized by the Board, (c) such indemnification is provided by the Corporation, in its sole discretion, pursuant to the powers vested in the Corporation under the DGCL, or (d) the proceeding (or part thereof) is brought to establish or enforce a right to indemnification or advancement under an indemnity agreement or any other statute or law or otherwise as required under Section 145 of the DGCL. The rights hereunder shall be contract rights and shall include the right to be paid reasonable expenses and attorneys' fees incurred in defending any such proceeding in advance of its final disposition; provided, that the payment of such expenses incurred by a director or officer of the Corporation in his capacity as a director or officer (and not in any other capacity in which service was or is tendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of such proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately by final judicial decision from which there is no further right to appeal that such director or officer is not entitled to be indemnified under this section or otherwise.

8.2 Right of Claimant to Bring Suit. If a claim under Section 8.1 is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, or twenty (20) days in the case of a claim for advancement of expenses, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if such suit is not frivolous or brought in bad faith, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to this Corporation) that the claimant has not met the standards of conduct which make it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed. Neither the failure of the Corporation (including its Board, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because the claimant has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final judicial decision from which there is no further right to appeal that the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, shall be on the Corporation.

8.3 Indemnification of Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification, and to the advancement of related expenses, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VIII with respect to the indemnification of and advancement of expenses to directors and officers of the Corporation.

8.4 Non-Exclusivity of Rights. The rights conferred on any person in this Article VIII shall not be exclusive of any other right which such persons may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

8.5 Indemnification Contracts. The Board is authorized to enter into a contract with any director, officer, employee or agent of the Corporation, or any person serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, providing for indemnification rights equivalent to or, if the Board so determines, greater than, those provided for in this Article VIII.

8.6 Insurance. The Corporation shall maintain insurance to the extent reasonably available, at its expense, to protect itself and any such director, officer, employee or agent of the Corporation or another Corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

8.7 Effect of Amendment. Any amendment, repeal or modification of any provision of this Article VIII shall not adversely affect any right or protection of an indemnitee or his successor in respect of any act or omission occurring prior to such amendment, repeal or modification.

8.8 Reliance. Persons who after the date of the adoption of this provision become or remain directors or officers of the Corporation or who, while a director or officer of the Corporation, become or remain a director, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this Article VIII in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this Article VIII shall apply to claims made against an indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof.

* * *



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July 28, 2020

BigCommerce Holdings, Inc.
11305 4 Points Dr., Building 2, Suite 100
Austin, Texas 78726

Re: Registration Statement on Form S-1 (Registration No. 333-239838)

Ladies and Gentlemen:

We have acted as counsel to BigCommerce Holdings, Inc., a Delaware corporation (the “**Company**”) in connection with the proposed issuance and sale of up to 7,877,500 shares of the Company’s Series 1 common stock, par value \$0.0001 (including up to 1,027,500 shares issuable upon exercise of an option granted to the underwriters) (the “**Shares**”), as set forth in the registration statement (Registration No. 333-239838) on Form S-1 (as amended and supplemented from time to time, the “**Registration Statement**”) initially filed with the Securities and Exchange Commission on July 13, 2020 under the Securities Act of 1933, as amended (the “**Act**”). We understand that the Shares are to be sold to the underwriters for resale to the public as described in the Registration Statement and pursuant to an underwriting agreement, substantially in the form filed as Exhibit 1.1 to the Registration Statement (the “**Underwriting Agreement**”), to be entered into by and among the Company and the underwriters.

This opinion is being furnished in accordance with the registration requirements of Item 16(a) of Form S-1 and Item 601(b)(5)(i) of Regulation S-K.

As the basis for the opinions hereinafter expressed, we have examined: (i) originals, or copies certified or otherwise identified, of (a) the Registration Statement; (b) the Sixth Amended and Restated Certificate of Incorporation of the Company, as amended, as currently in effect; (c) the Bylaws of the Company, as currently in effect; (d) the forms of the Company’s Seventh Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, filed as Exhibits 3.2 and 3.4 to the Registration Statement, respectively, each of which is to be in effect prior to the closing of the offering contemplated by the Registration Statement, (e) certain resolutions of the Board of Directors of the Company; (f) the form of Underwriting Agreement; and (g) such other instruments and documents as we have deemed necessary or advisable for the purposes of this opinion; and (ii) such statutes, including the Delaware General Corporation Law, and regulations as we have deemed necessary or advisable for the purposes of this opinion. We have not independently verified any factual matter relating to this opinion.

We express no opinion other than as to the federal laws of the United States of America and the Delaware General Corporation Law (including the statutory provisions, the applicable provisions of the Delaware Constitution and reported judicial decisions interpreting the foregoing).

On the basis of the foregoing, we are of the opinion that the Shares, when such Shares shall have been duly registered on the books of the transfer agent and registrar therefor in the name or on behalf of the purchasers, and are issued, sold and delivered in accordance with the terms of the Underwriting Agreement, will be validly issued, fully paid and nonassessable.

We consent to the use of this opinion as an exhibit to the Registration Statement, and we consent to the reference of our name under the caption “Legal Matters” in the prospectus forming part of the Registration Statement. In giving our consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act or the rules and regulations promulgated thereunder.

Very truly yours,

/s/ DLA Piper LLP (US)

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the “*Agreement*”) is made and entered into as of [Date] by and between BigCommerce Holdings, Inc., a Delaware corporation (the “*Company*”) and (“*Indemnitee*”). Capitalized terms used herein without definition shall have the meanings assigned to such terms in Section 13.

WITNESSETH THAT:

WHEREAS, the Board of Directors of the Company (the “*Board*”) has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Bylaws of the Company (the “*Bylaws*”) and the amended and restated Certificate of Incorporation of the Company (the “*Certificate of Incorporation*”) require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (“*DGCL*”). The Bylaws and the Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company’s stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws and the Certificate of Incorporation and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee does not regard the protection available under the Bylaws and Certificate of Incorporation and the Company’s insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified; and

NOW, THEREFORE, in consideration of Indemnitee’s agreement to serve as an officer and/or director from and after the date hereof, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(a) if, by reason of his Corporate Status, the Indemnitee is, or is threatened to be made, a party to or participant in any

Proceeding other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses, judgments, decrees, orders, awards, penalties, arbitration awards, fines and amounts paid in settlement actually and reasonably incurred by him, or on his behalf, in connection with such Proceeding or any claim, issue or matter therein, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of his Corporate Status, the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee, or on the Indemnitee's behalf, in connection with such Proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; *provided, however*, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

2. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, decrees, orders, awards, penalties, arbitration awards, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7 hereof) to be unlawful.

3. Contribution.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Company hereby

waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not enter into any settlement of any action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee and does not create any obligation for, or restriction on, the Indemnitee, or the Indemnitee consents to such settlement in writing.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding Section 3(a), if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall contribute to the amount of Expenses, judgments, decrees, orders, awards, penalties, arbitration awards, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative personal profits, advantages or benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction or events from which such Proceeding arose; *provided, however*, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the transaction or events that resulted in such Expenses, judgments, decrees, orders, awards, penalties, arbitration awards, fines or settlement amounts, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) To the fullest extent permissible under applicable law and without diminishing or imparting the obligations of the Company set forth in the preceding subparagraphs of this Section 3, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

4. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness, or is made (or asked) to respond to discovery requests, in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

5. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free and not conditioned on Indemnitee's ability to repay such advances. In the event that the Company fails to pay Expenses as incurred by the Indemnitee as required by this paragraph, in addition to the remedies under Section 7 below, Indemnitee may seek mandatory injunctive relief or specific performance from any court having jurisdiction to require the Company to pay Expenses as set forth in this paragraph. If Indemnitee seeks mandatory injunctive relief or specific performance pursuant to this paragraph, it shall not be a defense to enforcement of the Company's obligations set forth in this paragraph that Indemnitee has an adequate remedy at law for damages.

6. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity and contribution that are as favorable to Indemnitee as the rights of indemnity and contribution permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a) hereof, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods, which shall be at the election of the Board: (i) by a majority vote of the disinterested directors, even though less than a quorum, (ii) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum, (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel (as defined below) in a written opinion to the Board, a copy of which shall be delivered to the Indemnitee, or (iv) if so directed by the Board, by the stockholders of the Company. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought by Indemnitee.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(b) hereof, the Independent Counsel shall be selected as provided in this Section 6(c). The Independent Counsel shall be selected by the Board. Indemnitee may, within 10 days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; *provided, however*, that such objection may be asserted only on the

ground that the Independent Counsel so selected does not meet the requirements of “**Independent Counsel**” as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 6(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by the Indemnitee to the Company’s selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 6(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 6(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(e) A member of the board of directors, or a member of any committee designated by the board of directors, shall, in the performance of such member’s duties, be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of the Company’s officers or employees, or committees of the board of directors, or by any other person as to matters the member reasonably believes are within such other person’s professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

(f) If the person, persons or entity empowered or selected under Section 6 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within thirty (30) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee’s statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; *provided, however*, that such 30-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and *provided, further*, that the foregoing provisions of this Section 6(f) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 6(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board or the Disinterested Directors, if appropriate,

resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within forty-five (45) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within thirty (30) days after having been so called and such determination is made thereat.

(g) Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel, member of the Board or stockholder of the Company shall act reasonably and in good faith in making a determination regarding the Indemnitee's entitlement to indemnification under this Agreement.

(h) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof.

(i) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

7. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 6 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(b) of this Agreement within 90 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification. Unless otherwise agreed by the Company, Indemnitee shall commence such proceeding seeking an adjudication within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 7(a). The Company shall not oppose Indemnitee's right to seek any such adjudication.

(b) In the event that a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 6(b).

(c) If a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of his rights under, or to recover damages for breach of, this Agreement, the Company shall pay on his behalf, in advance, any and all Expenses (of the types described in the definition of Expenses in Section 13 of this Agreement) actually and reasonably incurred by him in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification or advancement of Expenses.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within thirty (30) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(f) In no event shall Indemnitee's right to indemnification (apart from advancement of Expenses) be determined prior to a final adjudication in a Proceeding at issue if the Proceeding is both ongoing, and of the nature to have a final adjudication, unless a final adjudication in another Proceeding establishes that Indemnitee is not entitled to indemnification in the first Proceeding.

8. Non-Exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders, a resolution of directors of the Company, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Certificate of Incorporation, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents or fiduciaries of the Company or

of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director, officer, employee, agent or fiduciary under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee, fiduciary or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

9. Exception to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or similar provisions of state statutory law or common law;

(c) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; or

(d) to indemnify Indemnitee for any reimbursement of the Company by Indemnitee of any compensation, including bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Securities Act of 1933, as amended, or the Exchange Act (including without limitation reimbursements that (i) arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, as amended ("**Sarbanes-Oxley**"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of Sarbanes-Oxley, or (ii) arise pursuant to regulations or policies adopted in compliance with Section 954 of the Investor Protection and Securities Reform Act of 2010, as amended.

10. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is a director or officer of the Company (or is or was serving at the request of the Company as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust or other enterprise), and for ten years thereafter, provided that such agreements and obligations of the Company shall further continue so long as Indemnitee shall be or may become subject to any Proceeding (or any proceeding commenced under Section 7 hereof) by reason of his Corporate Status, whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

11. Security. To the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

12. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer or director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer or director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) The Company shall not seek from a court, or agree to, a "bar order" which would have the effect of prohibiting or limiting the Indemnitee's rights to receive advancement of expenses under this Agreement.

13. Definitions. For purposes of this Agreement.

(a) "**Corporate Status**" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving at the express written request of the Company.

(b) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(c) "**Enterprise**" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a director, officer, employee, agent or fiduciary.

(d) “**Expenses**” shall include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. Expenses also shall include Expenses incurred by Indemnitee in connection with any Proceeding initiated by Indemnitee to enforce its rights under this Agreement in which Indemnitee is the prevailing party on any of the claims made in that Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(e) “**Independent Counsel**” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) “**Proceeding**” includes any threatened, pending or completed action, claim, issue, matter, demand, discovery request, subpoena, hearing, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, regulatory, administrative or investigative, or any other type whatsoever, in which Indemnitee was, is or will be involved as a party or threatened party, by reason of his or her Corporate Status, by reason of any action taken by him or of any inaction on his part while acting in his or her Corporate Status; in each case whether or not he or she is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his rights under this Agreement.

14. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable laws. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

15. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

16. Notice By Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

17. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic means if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

(a) To Indemnitee at the address set forth below Indemnitee signature hereto.

(b) To the Company:

Four Points Centre, Building II
11305 Four Points Drive, Suite 300
Austin, Texas 78726
Attention: Chief Legal Officer

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

DLA Piper LLP (US)
401 Congress Avenue, Suite 2500
Austin, Texas 78701
Attention: Samer M. Zabaneh

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile, PDF or other electronic signature or means, and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

20. Governing Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "**Delaware Court**"), and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of

any action or proceeding arising out of or in connection with this Agreement, (c) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably the Company's registered agent at the address of the Company's registered office as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (d) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (e) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

[Remainder of page intentionally left blank]

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

COMPANY:

BIGCOMMERCE HOLDINGS, INC.

By: _____
Name: Jeff Mengoli
Title: General Counsel

Signature page to Indemnification Agreement

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

INDEMNITEE:

[Name]

Address:

Fax No.: _____

Email: _____

Signature page to Indemnification Agreement

BIGCOMMERCE HOLDINGS, INC.

2020 EQUITY INCENTIVE PLAN

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BIGCOMMERCE HOLDINGS, INC.
2020 Equity Incentive Plan

1. ESTABLISHMENT, PURPOSE AND TERM OF PLAN.

1.1 **Establishment.** The BigCommerce Holdings, Inc. 2020 Equity Incentive Plan (the “*Plan*”) is hereby established effective as of _____, 2020, the date of its approval by the stockholders of the Company (the “*Effective Date*”).

1.2 **Purpose.** The purpose of the Plan is to advance the interests of the Participating Company Group and its stockholders by providing an incentive to attract, retain and reward persons performing services for the Participating Company Group and by motivating such persons to contribute to the growth and profitability of the Participating Company Group. The Plan seeks to achieve this purpose by providing for Awards in the form of Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Performance Shares, Performance Units, Cash-Based Awards and Other Stock-Based Awards.

1.3 **Term of Plan.** The Plan shall continue in effect until its termination by the Committee; provided, however, that all Awards shall be granted, if at all, within ten (10) years from the Effective Date.

2. DEFINITIONS AND CONSTRUCTION.

2.1 **Definitions.** Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) “*Affiliate*” means (i) a parent entity, other than a Parent Corporation, that directly, or indirectly through one or more intermediary entities, controls the Company or (ii) a subsidiary entity, other than a Subsidiary Corporation, that is controlled by the Company directly or indirectly through one or more intermediary entities. For this purpose, the terms “parent,” “subsidiary,” “control” and “controlled by” shall have the meanings assigned such terms for the purposes of registration of securities on Form S-8 under the Securities Act.

(b) “*Award*” means any Option, Stock Appreciation Right, Restricted Stock Purchase Right, Restricted Stock Bonus, Restricted Stock Unit, Performance Share, Performance Unit, Cash-Based Award or Other Stock-Based Award granted under the Plan.

(c) “*Award Agreement*” means a written or electronic agreement between the Company and a Participant setting forth the terms, conditions and restrictions applicable to an Award.

(d) “*Board*” means the Board of Directors of the Company.

(e) “*Cash-Based Award*” means an Award denominated in cash and granted pursuant to Section 11.

(f) “**Cashless Exercise**” means a Cashless Exercise as defined in Section 6.3(b)(i).

(g) “**Cause**” means, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or other written agreement between a Participant and a Participating Company applicable to an Award, any of the following: (i) the Participant’s theft, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, or falsification of any Participating Company documents or records; (ii) the Participant’s material failure to abide by a Participating Company’s code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iii) the Participant’s unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of a Participating Company (including, without limitation, the Participant’s improper use or disclosure of a Participating Company’s confidential or proprietary information); (iv) any intentional act by the Participant which has a material detrimental effect on a Participating Company’s reputation or business; (v) the Participant’s repeated failure or inability to perform any reasonable assigned duties after written notice from a Participating Company of, and a reasonable opportunity to cure, such failure or inability; (vi) any material breach by the Participant of any employment, service, non-disclosure, non-competition, non-solicitation or other similar agreement between the Participant and a Participating Company, which breach is not cured pursuant to the terms of such agreement; or (vii) the Participant’s conviction (including any plea of guilty or *nolo contendere*) of any criminal act involving fraud, dishonesty, misappropriation or moral turpitude, or which impairs the Participant’s ability to perform his or her duties with a Participating Company.

(h) “**Change in Control**” means the occurrence of any one or a combination of the following:

(i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total Fair Market Value or total combined voting power of the Company’s then-outstanding securities entitled to vote generally in the election of Directors; provided, however, that a Change in Control shall not be deemed to have occurred if such degree of beneficial ownership results from any of the following: (A) an acquisition by any person who on the Effective Date is the beneficial owner of more than fifty percent (50%) of such voting power, (B) any acquisition directly from the Company, including, without limitation, pursuant to or in connection with a public offering of securities, (C) any acquisition by the Company, (D) any acquisition by a trustee or other fiduciary under an employee benefit plan of a Participating Company or (E) any acquisition by an entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the voting securities of the Company; or

(ii) an Ownership Change Event or series of related Ownership Change Events (collectively, a “**Transaction**”) in which the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding securities entitled to vote generally in the election of Directors or, in the case of an Ownership Change Event described in Section 2.1(dd)(iii), the entity to which the assets of the Company were transferred (the “**Transferee**”), as the case may be; or

(iii) a date specified by the Committee following approval by the stockholders of a plan of complete liquidation or dissolution of the Company;

provided, however, that a Change in Control shall be deemed not to include a transaction described in subsections (i) or (ii) of this Section 2.1(h) in which a majority of the members of the board of directors of the continuing, surviving or successor entity, or parent thereof, immediately after such transaction is comprised of Incumbent Directors.

For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company or the Transferee, as the case may be, either directly or through one or more subsidiary corporations or other business entities. The Committee shall determine whether multiple events described in subsections (i), (ii) and (iii) of this Section 2.1(h) are related and to be treated in the aggregate as a single Change in Control, and its determination shall be final, binding and conclusive.

(i) “**Code**” means the Internal Revenue Code of 1986, as amended, and any applicable regulations and administrative guidelines promulgated thereunder.

(j) “**Committee**” means the Compensation Committee and such other committee or subcommittee of the Board, if any, duly appointed to administer the Plan and having such powers in each instance as shall be specified by the Board. If, at any time, there is no committee of the Board then authorized or properly constituted to administer the Plan, the Board shall exercise all of the powers of the Committee granted herein, and, in any event, the Board may in its discretion exercise any or all of such powers.

(k) “**Company**” means BigCommerce Holdings, Inc., a Delaware corporation, and any successor corporation thereto.

(l) “**Consultant**” means a person engaged to provide consulting or advisory services (other than as an Employee or a Director) to a Participating Company, provided that the identity of such person, the nature of such services or the entity to which such services are provided would not preclude the Company from offering or selling securities to such person pursuant to the Plan in reliance on registration on Form S-8 under the Securities Act.

(m) “**Director**” means a member of the Board.

(n) “**Disability**” means, unless such term or an equivalent term is otherwise defined by the applicable Award Agreement or other written agreement between the Participant and a Participating Company applicable to an Award, the permanent and total disability of the Participant, within the meaning of Section 22(e)(3) of the Code.

(o) “**Dividend Equivalent Right**” means the right of a Participant, granted at the discretion of the Committee or as otherwise provided by the Plan, to receive a credit for the account of such Participant in an amount equal to the cash dividends paid on one share of Stock for each share of Stock represented by an Award held by such Participant.

(p) “**Employee**” means any person treated as an employee (including an Officer or a Director who is also treated as an employee) in the records of a Participating Company and, with respect to any Incentive Stock Option granted to such person, who is an employee for purposes of Section 422 of the Code; provided, however, that neither service as a Director nor payment of a Director’s fee shall be sufficient to constitute employment for purposes of the Plan. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual’s employment or termination of employment, as the case may be. For purposes of an individual’s rights, if any, under the terms of the Plan as of the time of the Company’s determination of whether or not the individual is an Employee, all such determinations by the Company shall be final, binding and conclusive as to such rights, if any, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination as to such individual’s status as an Employee.

(q) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

(r) “**Fair Market Value**” means, as of any date, the value of a share of Stock or other property as determined by the Committee, in its discretion, or by the Company, in its discretion, if such determination is expressly allocated to the Company herein, subject to the following:

(i) Except as otherwise determined by the Committee, if, on such date, the Stock is listed or quoted on a national or regional securities exchange or quotation system, the Fair Market Value of a share of Stock shall be the closing price of a share of Stock as quoted on the national or regional securities exchange or quotation system constituting the primary market for the Stock, as reported in *The Wall Street Journal* or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Stock has traded on such securities exchange or quotation system, the date on which the Fair Market Value shall be established shall be the last day on which the Stock was so traded or quoted prior to the relevant date, or such other appropriate day as shall be determined by the Committee, in its discretion.

(ii) Notwithstanding the foregoing, the Committee may, in its discretion, determine the Fair Market Value of a share of Stock on the basis of the opening, closing, or average of the high and low sale prices of a share of Stock on such date or the preceding trading day, the actual sale price of a share of Stock received by a Participant, any other reasonable basis using actual transactions in the Stock as reported on a national or regional securities exchange or quotation system, or on any other basis consistent with the requirements of Section 409A. The Committee may vary its method of determination of the Fair Market Value as provided in this Section for different purposes under the Plan to the extent consistent with the requirements of Section 409A.

(iii) If, on such date, the Stock is not listed or quoted on a national or regional securities exchange or quotation system, the Fair Market Value of a share of Stock shall be as determined by the Committee in good faith without regard to any restriction other than a restriction which, by its terms, will never lapse, and in a manner consistent with the requirements of Section 409A.

(s) “**Full Value Award**” means any Award settled in Stock, other than (i) an Option, (ii) a Stock Appreciation Right, or (iii) a Restricted Stock Purchase Right or an Other Stock-Based Award under which the Company will receive monetary consideration equal to the Fair Market Value (determined on the effective date of grant) of the shares subject to such Award.

(t) “**Incentive Stock Option**” means an Option intended to be (as set forth in the Award Agreement) and which qualifies as an incentive stock option within the meaning of Section 422(b) of the Code.

(u) “**Incumbent Director**” means a director who either (i) is a member of the Board as of the Effective Date or (ii) is elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but excluding a director who was elected or nominated in connection with an actual or threatened proxy contest relating to the election of directors of the Company).

(v) “**Insider**” means an Officer, a Director or other person whose transactions in Stock are subject to Section 16 of the Exchange Act.

(w) “**Net Exercise**” means a Net Exercise as defined in Section 6.3(b)(iii).

(x) “**Nonemployee Director**” means a Director who is not an Employee.

(y) “**Nonemployee Director Award**” means any Award granted to a Nonemployee Director.

(z) “**Nonstatutory Stock Option**” means an Option not intended to be (as set forth in the Award Agreement) or which does not qualify as an incentive stock option within the meaning of Section 422(b) of the Code.

(aa) “**Officer**” means any person designated by the Board as an officer of the Company.

(bb) “**Option**” means an Incentive Stock Option or a Nonstatutory Stock Option granted pursuant to the Plan.

(cc) “**Other Stock-Based Award**” means an Award denominated in shares of Stock and granted pursuant to Section 11.

(dd) **“Ownership Change Event”** means the occurrence of any of the following with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of securities of the Company representing more than fifty percent (50%) of the total combined voting power of the Company’s then outstanding securities entitled to vote generally in the election of Directors; (ii) a merger or consolidation in which the Company is a party; or (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more subsidiaries of the Company).

(ee) **“Parent Corporation”** means any present or future “parent corporation” of the Company, as defined in Section 424(e) of the Code.

(ff) **“Participant”** means any eligible person who has been granted one or more Awards.

(gg) **“Participating Company”** means the Company or any Parent Corporation, Subsidiary Corporation or Affiliate.

(hh) **“Participating Company Group”** means, at any point in time, the Company and all other entities collectively which are then Participating Companies.

(ii) **“Performance Award”** means an Award of Performance Shares or Performance Units.

(jj) **“Performance Award Formula”** means, for any Performance Award, a formula or table established by the Committee pursuant to Section 10.3 which provides the basis for computing the value of a Performance Award at one or more levels of attainment of the applicable Performance Goal(s) measured as of the end of the applicable Performance Period.

(kk) **“Performance Goal”** means a performance goal established by the Committee pursuant to Section 10.3.

(ll) **“Performance Period”** means a period established by the Committee pursuant to Section 10.3 at the end of which one or more Performance Goals are to be measured.

(mm) **“Performance Share”** means a right granted to a Participant pursuant to Section 10 to receive a payment equal to the value of a Performance Share, as determined by the Committee, based upon attainment of applicable Performance Goal(s).

(nn) **“Performance Unit”** means a right granted to a Participant pursuant to Section 10 to receive a payment equal to the value of a Performance Unit, as determined by the Committee, based upon attainment of applicable Performance Goal(s).

(oo) **“Predecessor Plan”** means the Company’s 2013 Stock Plan.

(pp) **“Restricted Stock Award”** means an Award of a Restricted Stock Bonus or a Restricted Stock Purchase Right.

(qq) “**Restricted Stock Bonus**” means Stock granted to a Participant pursuant to Section 8.

(rr) “**Restricted Stock Purchase Right**” means a right to purchase Stock granted to a Participant pursuant to Section 8.

(ss) “**Restricted Stock Unit**” means a right granted to a Participant pursuant to Section 9 to receive on a future date or occurrence of a future event a share of Stock or cash in lieu thereof, as determined by the Committee.

(tt) “**Rule 16b-3**” means Rule 16b-3 under the Exchange Act, as amended from time to time, or any successor rule or regulation.

(uu) “**SAR**” or “**Stock Appreciation Right**” means a right granted to a Participant pursuant to Section 7 to receive payment, for each share of Stock subject to such Award, of an amount equal to the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise of the Award over the exercise price thereof.

(vv) “**Section 409A**” means Section 409A of the Code.

(ww) “**Section 409A Deferred Compensation**” means compensation provided pursuant to an Award that constitutes nonqualified deferred compensation within the meaning of Section 409A.

(xx) “**Securities Act**” means the Securities Act of 1933, as amended.

(yy) “**Service**” means a Participant’s employment or service with the Participating Company Group, whether as an Employee, a Director or a Consultant. Unless otherwise provided by the Committee, a Participant’s Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders Service or a change in the Participating Company for which the Participant renders Service, provided that there is no interruption or termination of the Participant’s Service. Furthermore, a Participant’s Service shall not be deemed to have been interrupted or terminated if the Participant takes any military leave, sick leave, or other bona fide leave of absence approved by the Company. However, unless otherwise provided by the Committee, if any such leave taken by a Participant exceeds three (3) months, then on the first (1st) day following the end of such three-month period the Participant’s Service shall be deemed to have terminated, unless the Participant’s right to return to Service is guaranteed by statute or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or required by law, an unpaid leave of absence shall not be treated as Service for purposes of determining vesting under the Participant’s Award Agreement. A Participant’s Service shall be deemed to have terminated either upon an actual termination of Service or upon the business entity for which the Participant performs Service ceasing to be a Participating Company. Subject to the foregoing, the Company, in its discretion, shall determine whether the Participant’s Service has terminated and the effective date of and reason for such termination.

(zz) “**Stock**” means the common stock of the Company, as adjusted from time to time in accordance with Section 4.5.

(aaa) “**Stock Tender Exercise**” means a Stock Tender Exercise as defined in Section 6.3(b)(ii).

(bbb) “**Subsidiary Corporation**” means any present or future “subsidiary corporation” of the Company, as defined in Section 424(f) of the Code.

(ccc) “**Ten Percent Owner**” means a Participant who, at the time an Option is granted to the Participant, owns stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of a Participating Company (other than an Affiliate) within the meaning of Section 422(b)(6) of the Code.

(ddd) “**Trading Compliance Policy**” means the written policy of the Company pertaining to the purchase, sale, transfer or other disposition of the Company’s equity securities by Directors, Officers, Employees or other service providers who may possess material, nonpublic information regarding the Company or its securities.

(eee) “**Vesting Conditions**” mean those conditions established in accordance with the Plan prior to the satisfaction of which an Award or shares subject to an Award remain subject to forfeiture or a repurchase option in favor of the Company exercisable for the Participant’s monetary purchase price, if any, for such shares upon the Participant’s termination of Service or failure of a performance condition to be satisfied.

2.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

3. **ADMINISTRATION.**

3.1 **Administration by the Committee.** The Plan shall be administered by the Committee. All questions of interpretation of the Plan, of any Award Agreement or of any other form of agreement or other document employed by the Company in the administration of the Plan or of any Award shall be determined by the Committee, and such determinations shall be final, binding and conclusive upon all persons having an interest in the Plan or such Award, unless fraudulent or made in bad faith. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or Award Agreement or other agreement thereunder (other than determining questions of interpretation pursuant to the preceding sentence) shall be final, binding and conclusive upon all persons having an interest therein. All expenses incurred in connection with the administration of the Plan shall be paid by the Company.

3.2 **Authority of Officers.** Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election that is the responsibility of or that is allocated to the Company herein, provided that the Officer has apparent authority with respect to such matter, right, obligation, determination or election. To the extent permitted by applicable law, the Committee may, in its discretion, delegate to a committee comprised of one or more Officers the authority to grant one or more Awards, without further approval of the Committee, to any Employee, other than a person who, at the time of such grant, is an Insider, and to exercise such other powers under the Plan as the Committee may determine.

3.3 Administration with Respect to Insiders. With respect to participation by Insiders in the Plan, at any time that any class of equity security of the Company is registered pursuant to Section 12 of the Exchange Act, the Plan shall be administered in compliance with the requirements, if any, of Rule 16b-3.

3.4 Powers of the Committee. In addition to any other powers set forth in the Plan and subject to the provisions of the Plan, the Committee shall have the full and final power and authority, in its discretion:

- (a) to determine the persons to whom, and the time or times at which, Awards shall be granted and the number of shares of Stock, units or monetary value to be subject to each Award;
- (b) to determine the type of Award granted;
- (c) to determine the Fair Market Value of shares of Stock or other property;
- (d) to determine the terms, conditions and restrictions applicable to each Award (which need not be identical) and any shares acquired pursuant thereto, including, without limitation, (i) the exercise or purchase price of shares pursuant to any Award, (ii) the method of payment for shares purchased pursuant to any Award, (iii) the method for satisfaction of any tax withholding obligation arising in connection with any Award, including by the withholding or delivery of shares of Stock, (iv) the timing, terms and conditions of the exercisability or vesting of any Award or any shares acquired pursuant thereto, (v) the Performance Measures, Performance Period, Performance Award Formula and Performance Goals applicable to any Award and the extent to which such Performance Goals have been attained, (vi) the time of expiration of any Award, (vii) the effect of any Participant's termination of Service on any of the foregoing, and (viii) all other terms, conditions and restrictions applicable to any Award or shares acquired pursuant thereto not inconsistent with the terms of the Plan;
- (e) to determine whether an Award will be settled in shares of Stock, cash, other property or in any combination thereof;
- (f) to approve one or more forms of Award Agreement;
- (g) to amend, modify, extend, cancel or renew any Award or to waive any restrictions or conditions applicable to any Award or any shares acquired pursuant thereto;
- (h) to accelerate, continue, extend or defer the exercisability or vesting of any Award or any shares acquired pursuant thereto, including with respect to the period following a Participant's termination of Service;

(i) to prescribe, amend or rescind rules, guidelines and policies relating to the Plan, or to adopt sub-plans or supplements to, or alternative versions of, the Plan, including, without limitation, as the Committee deems necessary or desirable to comply with the laws of, or to accommodate the tax policy, accounting principles or custom of, foreign jurisdictions whose residents may be granted Awards; and

(j) to correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award Agreement and to make all other determinations and take such other actions with respect to the Plan or any Award as the Committee may deem advisable to the extent not inconsistent with the provisions of the Plan or applicable law.

3.5 Option or SAR Repricing. The Committee shall have the authority, without additional approval by the stockholders of the Company, to approve a program providing for either (a) the cancellation of outstanding Options or SARs having exercise prices per share greater than the then Fair Market Value of a share of Stock ("**Underwater Awards**") and the grant in substitution therefor of new Options or SARs covering the same or a different number of shares but with an exercise price per share equal to the Fair Market Value per share on the new grant date, Full Value Awards, or payments in cash, or (b) the amendment of outstanding Underwater Awards to reduce the exercise price thereof to the Fair Market Value per share on the date of amendment.

3.6 Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or the Committee or as officers or employees of the Participating Company Group, to the extent permitted by applicable law, members of the Board or the Committee and any officers or employees of the Participating Company Group to whom authority to act for the Board, the Committee or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

4. SHARES SUBJECT TO PLAN.

4.1 Maximum Number of Shares Issuable. Subject to adjustment as provided in Sections 4.2, 4.3, 4.4 and 4.5, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be equal to 3,873,885 shares, and such shares shall consist of authorized but unissued or reacquired shares of Stock or any combination thereof.

4.2 Annual Increase in Maximum Number of Shares Issuable. Subject to adjustment as provided in Section 4.5, the maximum aggregate number of shares of Stock that

may be issued under the Plan as set forth in Section 4.1 shall be cumulatively increased on January 1, 2021 and on each subsequent January 1 through and including January 1, 2031, by a number of shares (the “**Annual Increase**”) equal to the smaller of (a) five percent (5%) of the number of shares of Stock issued and outstanding on the immediately preceding December 31, or (b) an amount determined by the Board.

4.3 Adjustment for Unissued or Forfeited Predecessor Plan Shares. The maximum aggregate number of shares of Stock that may be issued under the Plan as set forth in Section 4.1 shall be cumulatively increased from time to time by:

- (a) the aggregate number of shares of Stock that remain available for the future grant of awards under the Predecessor Plan immediately prior to its termination as of the Effective Date;
- (b) the number of shares of Stock subject to that portion of any option or other award outstanding pursuant to the Predecessor Plan as of the Effective Date which, on or after the Effective Date, expires or is terminated or canceled for any reason without having been exercised or settled in full; and
- (c) the number of shares of Stock acquired pursuant to the Predecessor Plan subject to forfeiture or repurchase by the Company for an amount not greater than the Participant’s purchase price which, on or after the Effective Date, is so forfeited or repurchased;

provided, however, that the aggregate number of shares of Stock authorized for issuance under the Predecessor Plan that may become authorized for issuance under the Plan pursuant to this Section 4.3 shall not exceed 11,784,522 shares.

4.4 Share Counting. If an outstanding Award for any reason expires or is terminated or canceled without having been exercised or settled in full, or if shares of Stock acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company for an amount not greater than the Participant’s purchase price, the shares of Stock allocable to the terminated portion of such Award or such forfeited or repurchased shares of Stock shall again be available for issuance under the Plan. Shares of Stock shall not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash or to the extent that shares are withheld or reacquired by the Company in satisfaction of tax withholding obligations pursuant to Section 16.2. Upon payment in shares of Stock pursuant to the exercise of an SAR, the number of shares available for issuance under the Plan shall be reduced only by the number of shares actually issued in such payment. If the exercise price of an Option is paid by tender to the Company, or attestation to the ownership, of shares of Stock owned by the Participant, or by means of a Net Exercise, the number of shares available for issuance under the Plan shall be reduced by the net number of shares for which the Option is exercised.

4.5 Adjustments for Changes in Capital Structure. Subject to any required action by the stockholders of the Company and the requirements of Sections 409A and 424 of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization,

reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (excepting regular, periodic cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number and kind of shares subject to the Plan and to any outstanding Awards, the Annual Increase, the Award limits set forth in Section 5.3 and Section 5.4, and in the exercise or purchase price per share under any outstanding Award in order to prevent dilution or enlargement of Participants' rights under the Plan. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as "effected without receipt of consideration by the Company." If a majority of the shares which are of the same class as the shares that are subject to outstanding Awards are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the "**New Shares**"), the Committee may unilaterally amend the outstanding Awards to provide that such Awards are for New Shares. In the event of any such amendment, the number of shares subject to, and the exercise or purchase price per share of, the outstanding Awards shall be adjusted in a fair and equitable manner as determined by the Committee, in its discretion. Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number and the exercise or purchase price per share shall be rounded up to the nearest whole cent. In no event may the exercise or purchase price, if any, under any Award be decreased to an amount less than the par value, if any, of the stock subject to such Award. The Committee in its discretion, may also make such adjustments in the terms of any Award to reflect, or related to, such changes in the capital structure of the Company or distributions as it deems appropriate, including modification of Performance Goals, Performance Award Formulas and Performance Periods. The adjustments determined by the Committee pursuant to this Section shall be final, binding and conclusive.

4.6 Assumption or Substitution of Awards. The Committee may, without affecting the number of shares of Stock reserved or available hereunder, authorize the issuance or assumption of benefits under this Plan in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate, subject to compliance with Section 409A and any other applicable provisions of the Code. In addition, subject to compliance with applicable laws, and listing requirements, shares available for grant under a stockholder approved plan of an acquired company (as appropriately adjusted to reflect the transaction) may be used for awards under the Plan to individuals who were not Employees or Directors of the Participating Company Group prior to the transaction and shall not reduce the number of shares otherwise available for issuance under the Plan.

5. ELIGIBILITY, PARTICIPATION AND AWARD LIMITATIONS.

5.1 Persons Eligible for Awards. Awards may be granted only to Employees, Consultants and Directors.

5.2 Participation in the Plan. Awards are granted solely at the discretion of the Committee. Eligible persons may be granted more than one Award. However, eligibility in accordance with this Section shall not entitle any person to be granted an Award, or, having been granted an Award, to be granted an additional Award.

5.3 Incentive Stock Option Limitations.

(a) **Maximum Number of Shares Issuable Pursuant to Incentive Stock Options.** Subject to adjustment as provided in Section 4.5, the maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to the exercise of Incentive Stock Options shall not exceed 15,658,407 shares, cumulatively increased on January 1, 2021 and on each subsequent January 1, through and including January 1, 2031, by a number of shares equal to the Annual Increase determined under Section 4.2. The maximum aggregate number of shares of Stock that may be issued under the Plan pursuant to all Awards other than Incentive Stock Options shall be the number of shares determined in accordance with Section 4.1, subject to adjustment as provided in Sections 4.2, 4.3, 4.4 and 4.5.

(b) **Persons Eligible.** An Incentive Stock Option may be granted only to a person who, on the effective date of grant, is an Employee of the Company, a Parent Corporation or a Subsidiary Corporation (each being an “**ISO-Qualifying Corporation**”). Any person who is not an Employee of an ISO-Qualifying Corporation on the effective date of the grant of an Option to such person may be granted only a Nonstatutory Stock Option.

(c) **Fair Market Value Limitation.** To the extent that options designated as Incentive Stock Options (granted under all stock plans of the Participating Company Group, including the Plan) become exercisable by a Participant for the first time during any calendar year for stock having a Fair Market Value greater than One Hundred Thousand Dollars (\$100,000), the portion of such options which exceeds such amount shall be treated as Nonstatutory Stock Options. For purposes of this Section, options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of stock shall be determined as of the time the option with respect to such stock is granted. If the Code is amended to provide for a limitation different from that set forth in this Section, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as required or permitted by such amendment to the Code. If an Option is treated as an Incentive Stock Option in part and as a Nonstatutory Stock Option in part by reason of the limitation set forth in this Section, the Participant may designate which portion of such Option the Participant is exercising. In the absence of such designation, the Participant shall be deemed to have exercised the Incentive Stock Option portion of the Option first. Upon exercise of the Option, shares issued pursuant to each such portion shall be separately identified.

5.4 **Nonemployee Director Award Limit.** No Nonemployee Director shall be granted within any fiscal year of the Company, other than the fiscal year of his or her initial service as a Nonemployee Director, one or more Nonemployee Director Awards pursuant to the Plan which in the aggregate are for more than a number of shares of Stock determined by dividing \$750,000 (\$1,000,000 in the fiscal year of his or her initial service as a Nonemployee Director) by the Fair Market Value of a share of Stock determined on the last trading day immediately preceding the date on which the applicable Nonemployee Director Award is granted. Notwithstanding any other provision of the Plan to the contrary, the aggregate grant date fair value (computed as of the date of grant in accordance with generally accepted accounting

principles in the United States) of all Awards granted to any Nonemployee Director during any fiscal year of the Company, other than the fiscal year of his or her initial service as a Nonemployee Director, taken together with any cash compensation paid to such Nonemployee Director during such fiscal year, shall not exceed \$750,000 (\$1,000,000 in the fiscal year of his or her initial service as a Nonemployee Director).

6. **STOCK OPTIONS.**

Options shall be evidenced by Award Agreements specifying the number of shares of Stock covered thereby, in such form as the Committee shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

6.1 **Exercise Price.** The exercise price for each Option shall be established in the discretion of the Committee; provided, however, that (a) the exercise price per share shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the Option and (b) no Incentive Stock Option granted to a Ten Percent Owner shall have an exercise price per share less than one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the effective date of grant of the Option. Notwithstanding the foregoing, an Option (whether an Incentive Stock Option or a Nonstatutory Stock Option) may be granted with an exercise price less than the minimum exercise price set forth above if such Option is granted pursuant to an assumption or substitution for another option in a manner that would qualify under the provisions of Section 409A or Section 424(a) of the Code.

6.2 **Exercisability and Term of Options.** Options shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such Option; provided, however, that (a) no Option shall be exercisable after the expiration of ten (10) years after the effective date of grant of such Option, (b) no Incentive Stock Option granted to a Ten Percent Owner shall be exercisable after the expiration of five (5) years after the effective date of grant of such Option and (c) no Option granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, shall be first exercisable until at least six (6) months following the date of grant of such Option (except in the event of such Employee's death, disability or retirement, upon a Change in Control, or as otherwise permitted by the Worker Economic Opportunity Act). Subject to the foregoing, unless otherwise specified by the Committee in the grant of an Option, each Option shall terminate ten (10) years after the effective date of grant of the Option, unless earlier terminated in accordance with its provisions.

6.3 **Payment of Exercise Price.**

(a) **Forms of Consideration Authorized.** Except as otherwise provided below, payment of the exercise price for the number of shares of Stock being purchased pursuant to any Option shall be made (i) in cash, by check or in cash equivalent; (ii) if permitted by the Committee and subject to the limitations contained in Section 6.3(b), by means of (1) a Cashless Exercise, (2) a Stock Tender Exercise or (3) a Net Exercise; (iii) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law,

or (iv) by any combination thereof. The Committee may at any time or from time to time grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict one or more forms of consideration.

(b) **Limitations on Forms of Consideration.**

(i) **Cashless Exercise.** A “*Cashless Exercise*” means the delivery of a properly executed notice of exercise together with irrevocable instructions to a broker providing for the assignment to the Company of the proceeds of a sale or loan with respect to some or all of the shares being acquired upon the exercise of the Option (including, without limitation, through an exercise complying with the provisions of Regulation T as promulgated from time to time by the Board of Governors of the Federal Reserve System). The Company reserves, at any and all times, the right, in the Company’s sole and absolute discretion, to establish, decline to approve or terminate any program or procedures for the exercise of Options by means of a Cashless Exercise, including with respect to one or more Participants specified by the Company notwithstanding that such program or procedures may be available to other Participants.

(ii) **Stock Tender Exercise.** A “*Stock Tender Exercise*” means the delivery of a properly executed exercise notice accompanied by a Participant’s tender to the Company, or attestation to the ownership, in a form acceptable to the Company of whole shares of Stock owned by the Participant having a Fair Market Value that does not exceed the aggregate exercise price for the shares with respect to which the Option is exercised. A Stock Tender Exercise shall not be permitted if it would constitute a violation of the provisions of any law, regulation or agreement restricting the redemption of the Company’s stock. If required by the Company, an Option may not be exercised by tender to the Company, or attestation to the ownership, of shares of Stock unless such shares either have been owned by the Participant for a period of time required by the Company (and not used for another option exercise by attestation during such period) or were not acquired, directly or indirectly, from the Company.

(iii) **Net Exercise.** A “*Net Exercise*” means the delivery of a properly executed exercise notice followed by a procedure pursuant to which (1) the Company will reduce the number of shares otherwise issuable to a Participant upon the exercise of an Option by the largest whole number of shares having a Fair Market Value that does not exceed the aggregate exercise price for the shares with respect to which the Option is exercised, and (2) the Participant shall pay to the Company in cash the remaining balance of such aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued.

6.4 Effect of Termination of Service.

(a) **Option Exercisability.** Subject to earlier termination of the Option as otherwise provided by this Plan and unless otherwise provided by the Committee, an Option shall terminate immediately upon the Participant’s termination of Service to the extent that it is then unvested and shall be exercisable after the Participant’s termination of Service to the extent it is then vested only during the applicable time period determined in accordance with this Section and thereafter shall terminate.

(i) **Disability.** If the Participant's Service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the expiration of twelve (12) months (or such longer or shorter period provided by the Award Agreement) after the date on which the Participant's Service terminated, but in any event no later than the date of expiration of the Option's term as set forth in the Award Agreement evidencing such Option (the "**Option Expiration Date**").

(ii) **Death.** If the Participant's Service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of twelve (12) months (or such longer or shorter period provided by the Award Agreement) after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date. The Participant's Service shall be deemed to have terminated on account of death if the Participant dies within three (3) months (or such longer or shorter period provided by the Award Agreement) after the Participant's termination of Service.

(iii) **Termination for Cause.** Notwithstanding any other provision of the Plan to the contrary, if the Participant's Service is terminated for Cause or if, following the Participant's termination of Service and during any period in which the Option otherwise would remain exercisable, the Participant engages in any act that would constitute Cause, the Option shall terminate in its entirety and cease to be exercisable immediately upon such termination of Service or act.

(iv) **Other Termination of Service.** If the Participant's Service terminates for any reason, except Disability, death or Cause, the Option, to the extent unexercised and exercisable for vested shares on the date on which the Participant's Service terminated, may be exercised by the Participant at any time prior to the expiration of three (3) months (or such longer or shorter period provided by the Award Agreement) after the date on which the Participant's Service terminated, but in any event no later than the Option Expiration Date.

(b) **Extension if Exercise Prevented by Law.** Notwithstanding the foregoing, other than termination of Service for Cause, if the exercise of an Option within the applicable time periods set forth in Section 6.4(a) is prevented by the provisions of Section 14 below, the Option shall remain exercisable until the later of (i) thirty (30) days after the date such exercise first would no longer be prevented by such provisions or (ii) the end of the applicable time period under Section 6.4(a), but in any event no later than the Option Expiration Date.

6.5 Transferability of Options. During the lifetime of the Participant, an Option shall be exercisable only by the Participant or the Participant's guardian or legal representative. An Option shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution.

Notwithstanding the foregoing, to the extent permitted by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Option, an Option shall be assignable or transferable subject to the applicable limitations, if any, described in the General Instructions to Form S-8 under the Securities Act or, in the case of an Incentive Stock Option, only as permitted by applicable regulations under Section 421 of the Code in a manner that does not disqualify such Option as an Incentive Stock Option.

7. **STOCK APPRECIATION RIGHTS.**

Stock Appreciation Rights shall be evidenced by Award Agreements specifying the number of shares of Stock subject to the Award, in such form as the Committee shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

7.1 **Types of SARs Authorized.** SARs may be granted in tandem with all or any portion of a related Option (a "**Tandem SAR**") or may be granted independently of any Option (a "**Freestanding SAR**"). A Tandem SAR may only be granted concurrently with the grant of the related Option.

7.2 **Exercise Price.** The exercise price for each SAR shall be established in the discretion of the Committee; provided, however, that (a) the exercise price per share subject to a Tandem SAR shall be the exercise price per share under the related Option and (b) the exercise price per share subject to a Freestanding SAR shall be not less than the Fair Market Value of a share of Stock on the effective date of grant of the SAR. Notwithstanding the foregoing, an SAR may be granted with an exercise price lower than the minimum exercise price set forth above if such SAR is granted pursuant to an assumption or substitution for another stock appreciation right in a manner that would qualify under the provisions of Section 409A of the Code.

7.3 **Exercisability and Term of SARs.**

(a) **Tandem SARs.** Tandem SARs shall be exercisable only at the time and to the extent, and only to the extent, that the related Option is exercisable, subject to such provisions as the Committee may specify where the Tandem SAR is granted with respect to less than the full number of shares of Stock subject to the related Option. The Committee may, in its discretion, provide in any Award Agreement evidencing a Tandem SAR that such SAR may not be exercised without the advance approval of the Company and, if such approval is not given, then the Option shall nevertheless remain exercisable in accordance with its terms. A Tandem SAR shall terminate and cease to be exercisable no later than the date on which the related Option expires or is terminated or canceled. Upon the exercise of a Tandem SAR with respect to some or all of the shares subject to such SAR, the related Option shall be canceled automatically as to the number of shares with respect to which the Tandem SAR was exercised. Upon the exercise of an Option related to a Tandem SAR as to some or all of the shares subject to such Option, the related Tandem SAR shall be canceled automatically as to the number of shares with respect to which the related Option was exercised.

(b) **Freestanding SARs.** Freestanding SARs shall be exercisable at such time or times, or upon such event or events, and subject to such terms, conditions, performance

criteria and restrictions as shall be determined by the Committee and set forth in the Award Agreement evidencing such SAR; provided, however, that (i) no Freestanding SAR shall be exercisable after the expiration of ten (10) years after the effective date of grant of such SAR and (ii) no Freestanding SAR granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, shall be first exercisable until at least six (6) months following the date of grant of such SAR (except in the event of such Employee's death, disability or retirement, upon a Change in Control, or as otherwise permitted by the Worker Economic Opportunity Act). Subject to the foregoing, unless otherwise specified by the Committee in the grant of a Freestanding SAR, each Freestanding SAR shall terminate ten (10) years after the effective date of grant of the SAR, unless earlier terminated in accordance with its provisions.

7.4 Exercise of SARs. Upon the exercise (or deemed exercise pursuant to Section 7.5) of an SAR, the Participant (or the Participant's legal representative or other person who acquired the right to exercise the SAR by reason of the Participant's death) shall be entitled to receive payment of an amount for each share with respect to which the SAR is exercised equal to the excess, if any, of the Fair Market Value of a share of Stock on the date of exercise of the SAR over the exercise price. Payment of such amount shall be made (a) in the case of a Tandem SAR, solely in shares of Stock in a lump sum upon the date of exercise of the SAR and (b) in the case of a Freestanding SAR, in cash, shares of Stock, or any combination thereof as determined by the Committee, in a lump sum upon the date of exercise of the SAR. When payment is to be made in shares of Stock, the number of shares to be issued shall be determined on the basis of the Fair Market Value of a share of Stock on the date of exercise of the SAR. For purposes of Section 7, an SAR shall be deemed exercised on the date on which the Company receives notice of exercise from the Participant or as otherwise provided in Section 7.5.

7.5 Deemed Exercise of SARs. If, on the date on which an SAR would otherwise terminate or expire, the SAR by its terms remains exercisable immediately prior to such termination or expiration and, if so exercised, would result in a payment to the holder of such SAR, then any portion of such SAR which has not previously been exercised shall automatically be deemed to be exercised as of such date with respect to such portion.

7.6 Effect of Termination of Service. Subject to earlier termination of the SAR as otherwise provided herein and unless otherwise provided by the Committee, an SAR shall be exercisable after a Participant's termination of Service only to the extent and during the applicable time period determined in accordance with Section 6.4 (treating the SAR as if it were an Option) and thereafter shall terminate.

7.7 Transferability of SARs. During the lifetime of the Participant, an SAR shall be exercisable only by the Participant or the Participant's guardian or legal representative. An SAR shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. Notwithstanding the foregoing, to the extent permitted by the Committee, in its discretion, and set forth in the Award Agreement evidencing such Award, a Tandem SAR related to a Nonstatutory Stock Option or a Freestanding SAR shall be assignable or transferable subject to the applicable limitations, if any, described in the General Instructions to Form S-8 under the Securities Act.

8. **RESTRICTED STOCK AWARDS.**

Restricted Stock Awards shall be evidenced by Award Agreements specifying whether the Award is a Restricted Stock Bonus or a Restricted Stock Purchase Right and the number of shares of Stock subject to the Award, in such form as the Committee shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

8.1 Types of Restricted Stock Awards Authorized. Restricted Stock Awards may be granted in the form of either a Restricted Stock Bonus or a Restricted Stock Purchase Right. Restricted Stock Awards may be granted upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more Performance Goals described in Section 10.4. If either the grant of or satisfaction of Vesting Conditions applicable to a Restricted Stock Award is to be contingent upon the attainment of one or more Performance Goals, the Committee shall follow procedures substantially equivalent to those set forth in Sections 10.3 through 10.5(a).

8.2 Purchase Price. The purchase price for shares of Stock issuable under each Restricted Stock Purchase Right shall be established by the Committee in its discretion. No monetary payment (other than applicable tax withholding) shall be required as a condition of receiving shares of Stock pursuant to a Restricted Stock Bonus, the consideration for which shall be services actually rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock subject to a Restricted Stock Award.

8.3 Purchase Period. A Restricted Stock Purchase Right shall be exercisable within a period established by the Committee, which shall in no event exceed thirty (30) days from the effective date of the grant of the Restricted Stock Purchase Right.

8.4 Payment of Purchase Price. Except as otherwise provided below, payment of the purchase price for the number of shares of Stock being purchased pursuant to any Restricted Stock Purchase Right shall be made (a) in cash, by check or in cash equivalent, (b) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (c) by any combination thereof.

8.5 Vesting and Restrictions on Transfer. Shares issued pursuant to any Restricted Stock Award may (but need not) be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. During any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, such shares may not be sold, exchanged, transferred, pledged, assigned or

otherwise disposed of other than pursuant to an Ownership Change Event or as provided in Section 8.8. The Committee, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Award that, if the satisfaction of Vesting Conditions with respect to any shares subject to such Restricted Stock Award would otherwise occur on a day on which the sale of such shares would violate the provisions of the Trading Compliance Policy, then satisfaction of the Vesting Conditions automatically shall be determined on the next trading day on which the sale of such shares would not violate the Trading Compliance Policy. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

8.6 Voting Rights; Dividends and Distributions. Except as provided in this Section, Section 8.5 and any Award Agreement, during any period in which shares acquired pursuant to a Restricted Stock Award remain subject to Vesting Conditions, the Participant shall have all of the rights of a stockholder of the Company holding shares of Stock, including the right to vote such shares and to receive all dividends and other distributions paid with respect to such shares; provided, however, that such dividends and distributions shall be subject to the same Vesting Conditions as the shares subject to the Restricted Stock Award with respect to which such dividends or distributions were paid, and otherwise shall be paid no later than the end of the calendar year in which such dividends or distributions are paid to stockholders (or, if later, the 15th day of the third month following the date such dividends or distributions are paid to stockholders). In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.5, any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant is entitled by reason of the Participant's Restricted Stock Award shall be immediately subject to the same Vesting Conditions as the shares subject to the Restricted Stock Award with respect to which such dividends or distributions were paid or adjustments were made.

8.7 Effect of Termination of Service. Unless otherwise provided by the Committee in the Award Agreement evidencing a Restricted Stock Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or disability), then (a) the Company shall have the option to repurchase for the purchase price paid by the Participant any shares acquired by the Participant pursuant to a Restricted Stock Purchase Right which remain subject to Vesting Conditions as of the date of the Participant's termination of Service and (b) the Participant shall forfeit to the Company any shares acquired by the Participant pursuant to a Restricted Stock Bonus which remain subject to Vesting Conditions as of the date of the Participant's termination of Service. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company.

8.8 Nontransferability of Restricted Stock Award Rights. Rights to acquire shares of Stock pursuant to a Restricted Stock Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or the laws of descent and distribution. All rights with respect to a Restricted Stock Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

9. **RESTRICTED STOCK UNITS.**

Restricted Stock Unit Awards shall be evidenced by Award Agreements specifying the number of Restricted Stock Units subject to the Award, in such form as the Committee shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

9.1 **Grant of Restricted Stock Unit Awards.** Restricted Stock Unit Awards may be granted upon such conditions as the Committee shall determine, including, without limitation, upon the attainment of one or more Performance Goals described in Section 10.4. If either the grant of a Restricted Stock Unit Award or the Vesting Conditions with respect to such Award is to be contingent upon the attainment of one or more Performance Goals, the Committee shall follow procedures substantially equivalent to those set forth in Sections 10.3 through 10.5(a).

9.2 **Purchase Price.** No monetary payment (other than applicable tax withholding, if any) shall be required as a condition of receiving a Restricted Stock Unit Award, the consideration for which shall be services actually rendered to a Participating Company or for its benefit. Notwithstanding the foregoing, if required by applicable state corporate law, the Participant shall furnish consideration in the form of cash or past services rendered to a Participating Company or for its benefit having a value not less than the par value of the shares of Stock issued upon settlement of the Restricted Stock Unit Award.

9.3 **Vesting.** Restricted Stock Unit Awards may (but need not) be made subject to Vesting Conditions based upon the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award.

9.4 **Voting Rights, Dividend Equivalent Rights and Distributions.** Participants shall have no voting rights with respect to shares of Stock represented by Restricted Stock Units until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Restricted Stock Unit Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Stock during the period beginning on the date such Award is granted and ending, with respect to each share subject to the Award, on the earlier of the date the Award is settled or the date on which it is terminated. Dividend Equivalent Rights, if any, shall be paid by crediting the Participant with a cash amount or with additional whole Restricted Stock Units as of the date of payment of such cash dividends on Stock, as determined by the Committee. The number of additional Restricted Stock Units (rounded to the nearest whole number), if any, to be credited shall be determined by dividing (a) the amount of cash dividends paid on the dividend payment date with respect to the number of shares of Stock represented by the Restricted Stock Units previously credited to the Participant by (b) the Fair

Market Value per share of Stock on such date. Such cash amount or additional Restricted Stock Units shall be subject to the same terms and conditions and shall be settled in the same manner and at the same time as the Restricted Stock Units originally subject to the Restricted Stock Unit Award. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.5, appropriate adjustments shall be made in the Participant's Restricted Stock Unit Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of the Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Vesting Conditions as are applicable to the Award.

9.5 Effect of Termination of Service. Unless otherwise provided by the Committee and set forth in the Award Agreement evidencing a Restricted Stock Unit Award, if a Participant's Service terminates for any reason, whether voluntary or involuntary (including the Participant's death or disability), then the Participant shall forfeit to the Company any Restricted Stock Units pursuant to the Award which remain subject to Vesting Conditions as of the date of the Participant's termination of Service.

9.6 Settlement of Restricted Stock Unit Awards. The Company shall issue to a Participant on the date on which Restricted Stock Units subject to the Participant's Restricted Stock Unit Award vest or on such other date determined by the Committee in compliance with Section 409A, if applicable, and set forth in the Award Agreement one (1) share of Stock (and/or any other new, substituted or additional securities or other property pursuant to an adjustment described in Section 9.4) for each Restricted Stock Unit then becoming vested or otherwise to be settled on such date, subject to the withholding of applicable taxes, if any. The Committee, in its discretion, may provide in any Award Agreement evidencing a Restricted Stock Unit Award that if the settlement date with respect to any shares issuable upon vesting of Restricted Stock Units would otherwise occur on a day on which the sale of such shares would violate the provisions of the Trading Compliance Policy, then the settlement date shall be deferred until the next trading day on which the sale of such shares would not violate the Trading Compliance Policy but in any event no later than the 15th day of the third calendar month following the year in which such Restricted Stock Units vest. If permitted by the Committee, the Participant may elect, consistent with the requirements of Section 409A, to defer receipt of all or any portion of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section, and such deferred issuance date(s) and amount(s) elected by the Participant shall be set forth in the Award Agreement. Notwithstanding the foregoing, the Committee, in its discretion, may provide for settlement of any Restricted Stock Unit Award by payment to the Participant in cash of an amount equal to the Fair Market Value on the payment date of the shares of Stock or other property otherwise issuable to the Participant pursuant to this Section.

9.7 Nontransferability of Restricted Stock Unit Awards. The right to receive shares pursuant to a Restricted Stock Unit Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to a Restricted Stock Unit Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

10. **PERFORMANCE AWARDS.**

Performance Awards shall be evidenced by Award Agreements in such form as the Committee shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

10.1 **Types of Performance Awards Authorized.** Performance Awards may be granted in the form of either Performance Shares or Performance Units. Each Award Agreement evidencing a Performance Award shall specify the number of Performance Shares or Performance Units subject thereto, the Performance Award Formula, the Performance Goal(s) and Performance Period applicable to the Award, and the other terms, conditions and restrictions of the Award.

10.2 **Initial Value of Performance Shares and Performance Units.** Unless otherwise provided by the Committee in granting a Performance Award, each Performance Share shall have an initial monetary value equal to the Fair Market Value of one (1) share of Stock, subject to adjustment as provided in Section 4.5, on the effective date of grant of the Performance Share, and each Performance Unit shall have an initial monetary value established by the Committee at the time of grant. The final value payable to the Participant in settlement of a Performance Award determined on the basis of the applicable Performance Award Formula will depend on the extent to which Performance Goals established by the Committee are attained within the applicable Performance Period established by the Committee.

10.3 **Establishment of Performance Period, Performance Goals and Performance Award Formula.** In granting each Performance Award, the Committee shall establish in writing the applicable Performance Period, Performance Award Formula and one or more Performance Goals which, when measured at the end of the Performance Period, shall determine on the basis of the Performance Award Formula the final value of the Performance Award to be paid to the Participant. The Company shall notify each Participant granted a Performance Award of the terms of such Award, including the Performance Period, Performance Goal(s) and Performance Award Formula.

10.4 **Measurement of Performance Goals.** Performance Goals shall be established by the Committee on the basis of targets to be attained (“**Performance Targets**”) with respect to one or more measures of business or financial performance or other criteria established by the Committee (each, a “**Performance Measure**”), subject to the following:

(a) **Performance Measures.** Performance Measures based on objective criteria shall be calculated in accordance with the Company’s financial statements, or, if such measures are not reported in the Company’s financial statements, they shall be calculated in accordance with generally accepted accounting principles, a method used generally in the Company’s industry, or in accordance with a methodology established by the Committee prior to the grant of the Performance Award. Performance Measures based on subjective criteria shall be

determined on the basis established by the Committee in granting the Award. As specified by the Committee, Performance Measures may be calculated with respect to the Company and each Subsidiary Corporation consolidated therewith for financial reporting purposes, one or more Subsidiary Corporations or such division or other business unit of any of them selected by the Committee. Unless otherwise determined by the Committee prior to the grant of the Performance Award, the Performance Measures applicable to the Performance Award shall be calculated prior to the accrual of expense for any Performance Award for the same Performance Period and excluding the effect (whether positive or negative) on the Performance Measures of any change in accounting standards or any unusual or infrequently occurring event or transaction, as determined by the Committee, occurring after the establishment of the Performance Goals applicable to the Performance Award. Each such adjustment, if any, shall be made solely for the purpose of providing a consistent basis from period to period for the calculation of Performance Measures in order to prevent the dilution or enlargement of the Participant's rights with respect to a Performance Award. Performance Measures may be based upon one or more of the following, without limitation, as determined by the Committee:

- (i) revenue;
- (ii) sales;
- (iii) expenses;
- (iv) operating income;
- (v) gross margin;
- (vi) operating margin;
- (vii) earnings before any one or more of: stock-based compensation expense, interest, taxes, depreciation and amortization;
- (viii) pre-tax profit;
- (ix) net operating income;
- (x) net income;
- (xi) economic value added;
- (xii) free cash flow;
- (xiii) operating cash flow;
- (xiv) balance of cash, cash equivalents and marketable securities;
- (xv) stock price;
- (xvi) earnings per share;

- (xvii) return on stockholder equity;
- (xviii) return on capital;
- (xix) return on assets;
- (xx) return on investment;
- (xxi) total stockholder return;
- (xxii) employee satisfaction;
- (xxiii) employee retention;
- (xxiv) market share;
- (xxv) customer satisfaction;
- (xxvi) product development;
- (xxvii) research and development expenses;
- (xxviii) completion of an identified special project;
- (xxix) completion of a joint venture or other corporate transaction; and
- (xxx) personal performance objectives established for an individual Participant or group of Participants.

(b) **Performance Targets.** Performance Targets may include a minimum, maximum, target level and intermediate levels of performance, with the final value of a Performance Award determined under the applicable Performance Award Formula by the Performance Target level attained during the applicable Performance Period. A Performance Target may be stated as an absolute value, an increase or decrease in a value, or as a value determined relative to an index, budget or other standard selected by the Committee.

10.5 Settlement of Performance Awards.

(a) **Determination of Final Value.** As soon as practicable following the completion of the Performance Period applicable to a Performance Award, the Committee shall determine the extent to which the applicable Performance Goals have been attained and the resulting final value of the Award earned by the Participant and to be paid upon its settlement in accordance with the applicable Performance Award Formula.

(b) **Discretionary Adjustment of Award Formula.** In its discretion, the Committee may, either at the time it grants a Performance Award or at any time thereafter, provide for the positive or negative adjustment of the Performance Award Formula applicable to a Performance Award to reflect such Participant's individual performance in his or her position with the Company or such other factors as the Committee may determine.

(c) **Effect of Leaves of Absence.** Unless otherwise required by law or a Participant's Award Agreement, payment of the final value, if any, of a Performance Award held by a Participant who has taken in excess of thirty (30) days in unpaid leaves of absence during a Performance Period shall be prorated on the basis of the number of days of the Participant's Service during the Performance Period during which the Participant was not on an unpaid leave of absence.

(d) **Notice to Participants.** As soon as practicable following the Committee's determination in accordance with Sections 10.5(a) and (b), the Company shall notify each Participant of the determination of the Committee.

(e) **Payment in Settlement of Performance Awards.** As soon as practicable following the Committee's determination in accordance with Sections 10.5(a) and (b), but in any event within the Short-Term Deferral Period described in Section 15.1 (except as otherwise provided below or consistent with the requirements of Section 409A), payment shall be made to each eligible Participant (or such Participant's legal representative or other person who acquired the right to receive such payment by reason of the Participant's death) of the final value of the Participant's Performance Award. Payment of such amount shall be made in cash, shares of Stock, or a combination thereof as determined by the Committee. Unless otherwise provided in the Award Agreement evidencing a Performance Award, payment shall be made in a lump sum. If permitted by the Committee, the Participant may elect, consistent with the requirements of Section 409A, to defer receipt of all or any portion of the payment to be made to the Participant pursuant to this Section, and such deferred payment date(s) elected by the Participant shall be set forth in the Award Agreement. If any payment is to be made on a deferred basis, the Committee may, but shall not be obligated to, provide for the payment during the deferral period of Dividend Equivalent Rights or interest.

(f) **Provisions Applicable to Payment in Shares.** If payment is to be made in shares of Stock, the number of such shares shall be determined by dividing the final value of the Performance Award by the Fair Market Value of a share of Stock determined by the method specified in the Award Agreement. Shares of Stock issued in payment of any Performance Award may be fully vested and freely transferable shares or may be shares of Stock subject to Vesting Conditions as provided in Section 8.5. Any shares subject to Vesting Conditions shall be evidenced by an appropriate Award Agreement and shall be subject to the provisions of Sections 8.5 through 8.8 above.

10.6 Voting Rights; Dividend Equivalent Rights and Distributions. Participants shall have no voting rights with respect to shares of Stock represented by Performance Share Awards until the date of the issuance of such shares, if any (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Performance Share Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on Stock during the period beginning on the date the Award is granted and ending, with respect to each share subject to the

Award, on the earlier of the date on which the Performance Shares are settled or the date on which they are forfeited. Such Dividend Equivalent Rights, if any, shall be credited to the Participant either in cash or in the form of additional whole Performance Shares as of the date of payment of such cash dividends on Stock, as determined by the Committee. The number of additional Performance Shares (rounded to the nearest whole number), if any, to be so credited shall be determined by dividing (a) the amount of cash dividends paid on the dividend payment date with respect to the number of shares of Stock represented by the Performance Shares previously credited to the Participant by (b) the Fair Market Value per share of Stock on such date. Dividend Equivalent Rights, if any, shall be accumulated and paid to the extent that the related Performance Shares become nonforfeitable. Settlement of Dividend Equivalent Rights may be made in cash, shares of Stock, or a combination thereof as determined by the Committee, and may be paid on the same basis as settlement of the related Performance Share as provided in Section 10.5. Dividend Equivalent Rights shall not be paid with respect to Performance Units. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.5, appropriate adjustments shall be made in the Participant's Performance Share Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of the Performance Share Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Performance Goals as are applicable to the Award.

10.7 Effect of Termination of Service. Unless otherwise provided by the Committee and set forth in the Award Agreement evidencing a Performance Award, the effect of a Participant's termination of Service on the Performance Award shall be as follows:

(a) **Death or Disability.** If the Participant's Service terminates because of the death or Disability of the Participant before the completion of the Performance Period applicable to the Performance Award, the final value of the Participant's Performance Award shall be determined by the extent to which the applicable Performance Goals have been attained with respect to the entire Performance Period and shall be prorated based on the number of months of the Participant's Service during the Performance Period. Payment shall be made following the end of the Performance Period in any manner permitted by Section 10.5.

(b) **Other Termination of Service.** If the Participant's Service terminates for any reason except death or Disability before the completion of the Performance Period applicable to the Performance Award, such Award shall be forfeited in its entirety.

10.8 Nontransferability of Performance Awards. Prior to settlement in accordance with the provisions of the Plan, no Performance Award shall be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. All rights with respect to a Performance Award granted to a Participant hereunder shall be exercisable during his or her lifetime only by such Participant or the Participant's guardian or legal representative.

11. **CASH-BASED AWARDS AND OTHER STOCK-BASED AWARDS.**

Cash-Based Awards and Other Stock-Based Awards shall be evidenced by Award Agreements in such form as the Committee shall establish. Such Award Agreements may incorporate all or any of the terms of the Plan by reference and shall comply with and be subject to the following terms and conditions:

11.1 **Grant of Cash-Based Awards.** Subject to the provisions of the Plan, the Committee, at any time and from time to time, may grant Cash-Based Awards to Participants in such amounts and upon such terms and conditions, including the achievement of performance criteria, as the Committee may determine.

11.2 **Grant of Other Stock-Based Awards.** The Committee may grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted securities, stock-equivalent units, stock appreciation units, securities or debentures convertible into common stock or other forms determined by the Committee) in such amounts and subject to such terms and conditions as the Committee shall determine. Other Stock-Based Awards may be made available as a form of payment in the settlement of other Awards or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may involve the transfer of actual shares of Stock to Participants, or payment in cash or otherwise of amounts based on the value of Stock and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

11.3 **Value of Cash-Based and Other Stock-Based Awards.** Each Cash-Based Award shall specify a monetary payment amount or payment range as determined by the Committee. Each Other Stock-Based Award shall be expressed in terms of shares of Stock or units based on such shares of Stock, as determined by the Committee. The Committee may require the satisfaction of such Service requirements, conditions, restrictions or performance criteria, including, without limitation, Performance Goals as described in Section 10.4, as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. If the Committee exercises its discretion to establish performance criteria, the final value of Cash-Based Awards or Other Stock-Based Awards that will be paid to the Participant will depend on the extent to which the performance criteria are met.

11.4 **Payment or Settlement of Cash-Based Awards and Other Stock-Based Awards.** Payment or settlement, if any, with respect to a Cash-Based Award or an Other Stock-Based Award shall be made in accordance with the terms of the Award, in cash, shares of Stock or other securities or any combination thereof as the Committee determines. To the extent applicable, payment or settlement with respect to each Cash-Based Award and Other Stock-Based Award shall be made in compliance with the requirements of Section 409A.

11.5 **Voting Rights; Dividend Equivalent Rights and Distributions.** Participants shall have no voting rights with respect to shares of Stock represented by Other Stock-Based Awards until the date of the issuance of such shares of Stock (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), if any, in settlement of such Award. However, the Committee, in its discretion, may provide in the Award Agreement evidencing any Other Stock-Based Award that the Participant shall be entitled to Dividend Equivalent Rights with respect to the payment of cash dividends on

Stock during the period beginning on the date such Award is granted and ending, with respect to each share subject to the Award, on the earlier of the date the Award is settled or the date on which it is terminated. Such Dividend Equivalent Rights, if any, shall be paid in accordance with the provisions set forth in Section 9.4. Dividend Equivalent Rights shall not be granted with respect to Cash-Based Awards. In the event of a dividend or distribution paid in shares of Stock or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 4.5, appropriate adjustments shall be made in the Participant's Other Stock-Based Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than regular, periodic cash dividends) to which the Participant would be entitled by reason of the shares of Stock issuable upon settlement of such Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same Vesting Conditions and performance criteria, if any, as are applicable to the Award.

11.6 Effect of Termination of Service. Each Award Agreement evidencing a Cash-Based Award or Other Stock-Based Award shall set forth the extent to which the Participant shall have the right to retain such Award following termination of the Participant's Service. Such provisions shall be determined in the discretion of the Committee, need not be uniform among all Cash-Based Awards or Other Stock-Based Awards, and may reflect distinctions based on the reasons for termination, subject to the requirements of Section 409A, if applicable.

11.7 Nontransferability of Cash-Based Awards and Other Stock-Based Awards. Prior to the payment or settlement of a Cash-Based Award or Other Stock-Based Award, the Award shall not be subject in any manner to anticipation, alienation, sale, exchange, transfer, assignment, pledge, encumbrance, or garnishment by creditors of the Participant or the Participant's beneficiary, except transfer by will or by the laws of descent and distribution. The Committee may impose such additional restrictions on any shares of Stock issued in settlement of Cash-Based Awards and Other Stock-Based Awards as it may deem advisable, including, without limitation, minimum holding period requirements, restrictions under applicable federal securities laws, under the requirements of any stock exchange or market upon which such shares of Stock are then listed and/or traded, or under any state securities laws or foreign law applicable to such shares of Stock.

12. STANDARD FORMS OF AWARD AGREEMENT.

12.1 Award Agreements. Each Award shall comply with and be subject to the terms and conditions set forth in the appropriate form of Award Agreement approved by the Committee and as amended from time to time. No Award or purported Award shall be a valid and binding obligation of the Company unless evidenced by a fully executed Award Agreement, which execution may be evidenced by electronic means.

12.2 Authority to Vary Terms. The Committee shall have the authority from time to time to vary the terms of any standard form of Award Agreement either in connection with the grant or amendment of an individual Award or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of Award Agreement are not inconsistent with the terms of the Plan.

13. **CHANGE IN CONTROL.**

13.1 **Effect of Change in Control on Awards.** In the event of a Change in Control, outstanding Awards shall be subject to the definitive agreement entered into by the Company in connection with the Change in Control. Subject to the requirements and limitations of Section 409A, if applicable, the Committee may provide for any one or more of the following:

(a) **Accelerated Vesting.** In its discretion, the Committee may provide in the grant of any Award or at any other time may take such action as it deems appropriate to provide for acceleration of the exercisability, vesting and/or settlement in connection with a Change in Control of each or any outstanding Award or portion thereof and shares acquired pursuant thereto upon such conditions, including termination of the Participant's Service prior to, upon, or following the Change in Control, and to such extent as the Committee determines.

(b) **Assumption, Continuation or Substitution.** In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the "**Acquiror**"), may, without the consent of any Participant, assume or continue the Company's rights and obligations under each or any Award or portion thereof outstanding immediately prior to the Change in Control or substitute for each or any such outstanding Award or portion thereof a substantially equivalent award with respect to the Acquiror's stock, as applicable. For purposes of this Section, if so determined by the Committee in its discretion, an Award denominated in shares of Stock shall be deemed assumed if, following the Change in Control, the Award confers the right to receive, subject to the terms and conditions of the Plan and the applicable Award Agreement, for each share of Stock subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares of Stock); provided, however, that if such consideration is not solely common stock of the Acquiror, the Committee may, with the consent of the Acquiror, provide for the consideration to be received upon the exercise or settlement of the Award, for each share of Stock subject to the Award, to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control. Any Award or portion thereof which is neither assumed or continued by the Acquiror in connection with the Change in Control nor exercised or settled as of the time of consummation of the Change in Control shall terminate and cease to be outstanding effective as of the time of consummation of the Change in Control.

(c) **Cash-Out of Outstanding Stock-Based Awards.** The Committee may, in its discretion and without the consent of any Participant, determine that, upon the occurrence of a Change in Control, each or any Award denominated in shares of Stock or portion thereof outstanding immediately prior to the Change in Control and not previously exercised or settled shall be canceled in exchange for a payment with respect to each vested share (and each unvested share, if so determined by the Committee) of Stock subject to such canceled Award in (i) cash,

(ii) stock of the Company or of a corporation or other business entity a party to the Change in Control, or (iii) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control, reduced (but not below zero) by the exercise or purchase price per share, if any, under such Award. In the event such determination is made by the Committee, an Award having an exercise or purchase price per share equal to or greater than the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control may be canceled without payment of consideration to the holder thereof. Payment pursuant to this Section (reduced by applicable withholding taxes, if any) shall be made to Participants in respect of the vested portions of their canceled Awards as soon as practicable following the date of the Change in Control and in respect of the unvested portions of their canceled Awards in accordance with the vesting schedules applicable to such Awards.

13.2 Effect of Change in Control on Nonemployee Director Awards. Subject to the requirements and limitations of Section 409A, if applicable, including as provided by Section 15.4(f), in the event of a Change in Control, each outstanding Nonemployee Director Award shall become immediately exercisable and vested in full and, except to the extent assumed, continued or substituted for pursuant to Section 13.1(b), shall be settled effective immediately prior to the time of consummation of the Change in Control.

13.3 Federal Excise Tax Under Section 4999 of the Code.

(a) **Excess Parachute Payment.** If any acceleration of vesting pursuant to an Award and any other payment or benefit received or to be received by a Participant would subject the Participant to any excise tax pursuant to Section 4999 of the Code due to the characterization of such acceleration of vesting, payment or benefit as an “excess parachute payment” under Section 280G of the Code, then, provided such election would not subject the Participant to taxation under Section 409A, the Participant may elect to reduce the amount of any acceleration of vesting called for under the Award in order to avoid such characterization.

(b) **Determination by Tax Firm.** To aid the Participant in making any election called for under Section 13.3(a), no later than the date of the occurrence of any event that might reasonably be anticipated to result in an “excess parachute payment” to the Participant as described in Section 13.3(a), the Company shall request a determination in writing by the professional firm engaged by the Company for general tax purposes, or, if the tax firm so engaged by the Company is serving as accountant or auditor for the Acquiror, the Company will appoint a nationally recognized tax firm to make the determinations required by this Section (the “*Tax Firm*”). As soon as practicable thereafter, the Tax Firm shall determine and report to the Company and the Participant the amount of such acceleration of vesting, payments and benefits which would produce the greatest after-tax benefit to the Participant. For the purposes of such determination, the Tax Firm may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Participant shall furnish to the Tax Firm such information and documents as the Tax Firm may reasonably request in order to make its required determination. The Company shall bear all fees and expenses the Tax Firm charges in connection with its services contemplated by this Section.

14. **COMPLIANCE WITH SECURITIES LAW.**

The grant of Awards and the issuance of shares of Stock pursuant to any Award shall be subject to compliance with all applicable requirements of federal, state and foreign law with respect to such securities and the requirements of any stock exchange or market system upon which the Stock may then be listed. In addition, no Award may be exercised or shares issued pursuant to an Award unless (a) a registration statement under the Securities Act shall at the time of such exercise or issuance be in effect with respect to the shares issuable pursuant to the Award, or (b) in the opinion of legal counsel to the Company, the shares issuable pursuant to the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares under the Plan shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to issuance of any Stock, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company.

15. **COMPLIANCE WITH SECTION 409A.**

15.1 **Awards Subject to Section 409A.** The Company intends that Awards granted pursuant to the Plan shall either be exempt from or comply with Section 409A, and the Plan shall be so construed. The provisions of this Section 15 shall apply to any Award or portion thereof that constitutes or provides for payment of Section 409A Deferred Compensation. Such Awards may include, without limitation:

(a) A Nonstatutory Stock Option or SAR that includes any feature for the deferral of compensation other than the deferral of recognition of income until the later of (i) the exercise or disposition of the Award or (ii) the time the stock acquired pursuant to the exercise of the Award first becomes substantially vested.

(b) Any Restricted Stock Unit Award, Performance Award, Cash-Based Award or Other Stock-Based Award that either (i) provides by its terms for settlement of all or any portion of the Award at a time or upon an event that will or may occur later than the end of the Short-Term Deferral Period (as defined below) or (ii) permits the Participant granted the Award to elect one or more dates or events upon which the Award will be settled after the end of the Short-Term Deferral Period.

Subject to the provisions of Section 409A, the term "**Short-Term Deferral Period**" means the 2½ month period ending on the later of (i) the 15th day of the third month following the end of the Participant's taxable year in which the right to payment under the applicable portion of the Award is no longer subject to a substantial risk of forfeiture or (ii) the 15th day of the third month following the end of the Company's taxable year in which the right to payment under the applicable portion of the Award is no longer subject to a substantial risk of forfeiture. For this purpose, the term "substantial risk of forfeiture" shall have the meaning provided by Section 409A.

15.2 Deferral and/or Distribution Elections. Except as otherwise permitted or required by Section 409A, the following rules shall apply to any compensation deferral and/or payment elections (each, an "**Election**") that may be permitted or required by the Committee pursuant to an Award providing Section 409A Deferred Compensation:

(a) Elections must be in writing and specify the amount of the payment in settlement of an Award being deferred, as well as the time and form of payment as permitted by this Plan.

(b) Elections shall be made by the end of the Participant's taxable year prior to the year in which services commence for which an Award may be granted to the Participant.

(c) Elections shall continue in effect until a written revocation or change in Election is received by the Company, except that a written revocation or change in Election must be received by the Company prior to the last day for making the Election determined in accordance with paragraph (b) above or as permitted by Section 15.3.

15.3 Subsequent Elections. Except as otherwise permitted or required by Section 409A, any Award providing Section 409A Deferred Compensation which permits a subsequent Election to delay the payment or change the form of payment in settlement of such Award shall comply with the following requirements:

(a) No subsequent Election may take effect until at least twelve (12) months after the date on which the subsequent Election is made.

(b) Each subsequent Election related to a payment in settlement of an Award not described in Section 15.4(a)(ii), 15.4(a)(iii) or 15.4(a)(vi) must result in a delay of the payment for a period of not less than five (5) years from the date on which such payment would otherwise have been made.

(c) No subsequent Election related to a payment pursuant to Section 15.4(a)(iv) shall be made less than twelve (12) months before the date on which such payment would otherwise have been made.

(d) Subsequent Elections shall continue in effect until a written revocation or change in the subsequent Election is received by the Company, except that a written revocation or change in a subsequent Election must be received by the Company prior to the last day for making the subsequent Election determined in accordance the preceding paragraphs of this Section 15.3.

15.4 Payment of Section 409A Deferred Compensation.

- (a) **Permissible Payments.** Except as otherwise permitted or required by Section 409A, an Award providing Section 409A Deferred Compensation must provide for payment in settlement of the Award only upon one or more of the following:
- (i) The Participant's "separation from service" (as defined by Section 409A);
 - (ii) The Participant's becoming "disabled" (as defined by Section 409A);
 - (iii) The Participant's death;
 - (iv) A time or fixed schedule that is either (i) specified by the Committee upon the grant of an Award and set forth in the Award Agreement evidencing such Award or (ii) specified by the Participant in an Election complying with the requirements of Section 15.2 or 15.3, as applicable;
 - (v) A change in the ownership or effective control of the Company or in the ownership of a substantial portion of the assets of the Company determined in accordance with Section 409A; or
 - (vi) The occurrence of an "unforeseeable emergency" (as defined by Section 409A).
- (b) **Installment Payments.** It is the intent of this Plan that any right of a Participant to receive installment payments (within the meaning of Section 409A) shall, for all purposes of Section 409A, be treated as a right to a series of separate payments.
- (c) **Required Delay in Payment to Specified Employee Pursuant to Separation from Service.** Notwithstanding any provision of the Plan or an Award Agreement to the contrary, except as otherwise permitted by Section 409A, no payment pursuant to Section 15.4(a)(i) in settlement of an Award providing for Section 409A Deferred Compensation may be made to a Participant who is a "specified employee" (as defined by Section 409A) as of the date of the Participant's separation from service before the date (the "**Delayed Payment Date**") that is six (6) months after the date of such Participant's separation from service, or, if earlier, the date of the Participant's death. All such amounts that would, but for this paragraph, become payable prior to the Delayed Payment Date shall be accumulated and paid on the Delayed Payment Date.
- (d) **Payment Upon Disability.** All distributions of Section 409A Deferred Compensation payable pursuant to Section 15.4(a)(ii) by reason of a Participant becoming disabled shall be paid in a lump sum or in periodic installments as established by the Participant's Election. If the Participant has made no Election with respect to distributions of Section 409A Deferred Compensation upon becoming disabled, all such distributions shall be paid in a lump sum upon the determination that the Participant has become disabled.
- (e) **Payment Upon Death.** If a Participant dies before complete distribution of amounts payable upon settlement of an Award subject to Section 409A, such undistributed amounts shall be distributed to his or her beneficiary under the distribution method for death established by the Participant's Election upon receipt by the Committee of satisfactory notice and confirmation of the Participant's death. If the Participant has made no Election with respect to distributions of Section 409A Deferred Compensation upon death, all such distributions shall be paid in a lump sum upon receipt by the Committee of satisfactory notice and confirmation of the Participant's death.

(f) **Payment Upon Change in Control.** Notwithstanding any provision of the Plan or an Award Agreement to the contrary, to the extent that any amount constituting Section 409A Deferred Compensation would become payable under this Plan by reason of a Change in Control, such amount shall become payable only if the event constituting a Change in Control would also constitute a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A. Any Award which constitutes Section 409A Deferred Compensation and which would vest and otherwise become payable upon a Change in Control as a result of the failure of the Acquiror to assume, continue or substitute for such Award in accordance with Section 13.1(b) shall vest to the extent provided by such Award but shall be converted automatically at the effective time of such Change in Control into a right to receive, in cash on the date or dates such award would have been settled in accordance with its then existing settlement schedule (or as required by Section 15.4(c)), an amount or amounts equal in the aggregate to the intrinsic value of the Award at the time of the Change in Control.

(g) **Payment Upon Unforeseeable Emergency.** The Committee shall have the authority to provide in the Award Agreement evidencing any Award providing for Section 409A Deferred Compensation for payment pursuant to Section 15.4(a)(vi) in settlement of all or a portion of such Award in the event that a Participant establishes, to the satisfaction of the Committee, the occurrence of an unforeseeable emergency. In such event, the amount(s) distributed with respect to such unforeseeable emergency cannot exceed the amounts reasonably necessary to satisfy the emergency need plus amounts necessary to pay taxes reasonably anticipated as a result of such distribution(s), after taking into account the extent to which such emergency need is or may be relieved through reimbursement or compensation by insurance or otherwise, by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship) or by cessation of deferrals under the Award. All distributions with respect to an unforeseeable emergency shall be made in a lump sum upon the Committee's determination that an unforeseeable emergency has occurred. The Committee's decision with respect to whether an unforeseeable emergency has occurred and the manner in which, if at all, the payment in settlement of an Award shall be altered or modified, shall be final, conclusive, and not subject to approval or appeal.

(h) **Prohibition of Acceleration of Payments.** Notwithstanding any provision of the Plan or an Award Agreement to the contrary, this Plan does not permit the acceleration of the time or schedule of any payment under an Award providing Section 409A Deferred Compensation, except as permitted by Section 409A.

(i) **No Representation Regarding Section 409A Compliance.** Notwithstanding any other provision of the Plan, the Company makes no representation that Awards shall be exempt from or comply with Section 409A. No Participating Company shall be liable for any tax, penalty or interest imposed on a Participant by Section 409A.

16. **TAX WITHHOLDING.**

16.1 **Tax Withholding in General.** The Company shall have the right to deduct from any and all payments made under the Plan, or to require the Participant, through payroll withholding, cash payment or otherwise, to make adequate provision for, the federal, state, local and foreign taxes (including social insurance), if any, required by law to be withheld by any Participating Company with respect to an Award or the shares acquired pursuant thereto. The Company shall have no obligation to deliver shares of Stock, to release shares of Stock from an escrow established pursuant to an Award Agreement, or to make any payment in cash under the Plan until the Participating Company Group's tax withholding obligations have been satisfied by the Participant.

16.2 **Withholding in or Directed Sale of Shares.** The Company shall have the right, but not the obligation, to deduct from the shares of Stock issuable to a Participant upon the exercise or settlement of an Award, or to accept from the Participant the tender of, a number of whole shares of Stock having a Fair Market Value, as determined by the Company, equal to all or any part of the tax withholding obligations of any Participating Company. The Fair Market Value of any shares of Stock withheld or tendered to satisfy any such tax withholding obligations shall not exceed the amount determined by the applicable minimum statutory withholding rates (or the maximum individual statutory withholding rates for the applicable jurisdiction if use of such rates would not result in adverse accounting consequences or cost). The Company may require a Participant to direct a broker, upon the vesting, exercise or settlement of an Award, to sell a portion of the shares subject to the Award determined by the Company in its discretion to be sufficient to cover the tax withholding obligations of any Participating Company and to remit an amount equal to such tax withholding obligations to such Participating Company in cash.

17. **AMENDMENT, SUSPENSION OR TERMINATION OF PLAN.**

The Committee may amend, suspend or terminate the Plan at any time. However, without the approval of the Company's stockholders, there shall be (a) no increase in the maximum aggregate number of shares of Stock that may be issued under the Plan (except by operation of the provisions of Sections 4.2, 4.3, 4.4 and 4.5), (b) no change in the class of persons eligible to receive Incentive Stock Options, and (c) no other amendment of the Plan that would require approval of the Company's stockholders under any applicable law, regulation or rule, including the rules of any stock exchange or quotation system upon which the Stock may then be listed or quoted. No amendment, suspension or termination of the Plan shall affect any then outstanding Award unless expressly provided by the Committee. Except as provided by the next sentence, no amendment, suspension or termination of the Plan may have a materially adverse effect on any then outstanding Award without the consent of the Participant. Notwithstanding any other provision of the Plan or any Award Agreement to the contrary, the Committee may, in its sole and absolute discretion and without the consent of any Participant, amend the Plan or any Award Agreement, to take effect retroactively or otherwise, as it deems necessary or advisable for the purpose of conforming the Plan or such Award Agreement to any present or future law, regulation or rule applicable to the Plan, including, but not limited to, Section 409A.

18. **MISCELLANEOUS PROVISIONS.**

18.1 **Repurchase Rights.** Shares issued under the Plan may be subject to one or more repurchase options, or other conditions and restrictions as determined by the Committee in its discretion at the time the Award is granted. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company. Upon request by the Company, each Participant shall execute any agreement evidencing such transfer restrictions prior to the receipt of shares of Stock hereunder and shall promptly present to the Company any and all certificates representing shares of Stock acquired hereunder for the placement on such certificates of appropriate legends evidencing any such transfer restrictions.

18.2 **Forfeiture Events.**

(a) The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of Service for Cause or any act by a Participant, whether before or after termination of Service, that would constitute Cause for termination of Service, or any accounting restatement due to material noncompliance of the Company with any financial reporting requirements of securities laws as a result of which, and to the extent that, such reduction, cancellation, forfeiture, or recoupment is required by applicable securities laws. In addition, to the extent that claw-back or similar provisions applicable to Awards are required by applicable law, listing standards and/or policies adopted by the Company, Awards granted under the Plan shall be subject to such provisions.

(b) If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, any Participant who knowingly or through gross negligence engaged in the misconduct, or who knowingly or through gross negligence failed to prevent the misconduct, and any Participant who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, shall reimburse the Company for (i) the amount of any payment in settlement of an Award received by such Participant during the twelve- (12-) month period following the first public issuance or filing with the United States Securities and Exchange Commission (whichever first occurred) of the financial document embodying such financial reporting requirement, and (ii) any profits realized by such Participant from the sale of securities of the Company during such twelve- (12-) month period.

18.3 **Provision of Information.** Each Participant shall be given access to information concerning the Company equivalent to that information generally made available to the Company's common stockholders.

18.4 **Rights as Employee, Consultant or Director.** No person, even though eligible pursuant to Section 5, shall have a right to be selected as a Participant, or, having been so selected, to be selected again as a Participant. Nothing in the Plan or any Award granted under the Plan shall confer on any Participant a right to remain an Employee, Consultant or Director or

interfere with or limit in any way any right of a Participating Company to terminate the Participant's Service at any time. To the extent that an Employee of a Participating Company other than the Company receives an Award under the Plan, that Award shall in no event be understood or interpreted to mean that the Company is the Employee's employer or that the Employee has an employment relationship with the Company.

18.5 Rights as a Stockholder. A Participant shall have no rights as a stockholder with respect to any shares covered by an Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 4.5 or another provision of the Plan.

18.6 Delivery of Title to Shares. Subject to any governing rules or regulations, the Company shall issue or cause to be issued the shares of Stock acquired pursuant to an Award and shall deliver such shares to or for the benefit of the Participant by means of one or more of the following: (a) by delivering to the Participant evidence of book entry shares of Stock credited to the account of the Participant, (b) by depositing such shares of Stock for the benefit of the Participant with any broker with which the Participant has an account relationship, or (c) by delivering such shares of Stock to the Participant in certificate form.

18.7 Fractional Shares. The Company shall not be required to issue fractional shares upon the exercise or settlement of any Award.

18.8 Retirement and Welfare Plans. Neither Awards made under this Plan nor shares of Stock or cash paid pursuant to such Awards may be included as "compensation" for purposes of computing the benefits payable to any Participant under any Participating Company's retirement plans (both qualified and non-qualified) or welfare benefit plans unless such other plan expressly provides that such compensation shall be taken into account in computing a Participant's benefit. In addition, unless a written employment agreement or other service agreement specifically references Awards, a general reference to "benefits" or a similar term in such agreement shall not be deemed to refer to Awards granted hereunder.

18.9 Beneficiary Designation. Subject to local laws and procedures, each Participant may file with the Company a written designation of a beneficiary who is to receive any benefit under the Plan to which the Participant is entitled in the event of such Participant's death before he or she receives any or all of such benefit. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. If a married Participant designates a beneficiary other than the Participant's spouse, the effectiveness of such designation may be subject to the consent of the Participant's spouse. If a Participant dies without an effective designation of a beneficiary who is living at the time of the Participant's death, the Company will pay any remaining unpaid benefits to the Participant's legal representative.

18.10 Severability. If any one or more of the provisions (or any part thereof) of this Plan shall be held invalid, illegal or unenforceable in any respect, such provision shall be

modified so as to make it valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions (or any part thereof) of the Plan shall not in any way be affected or impaired thereby.

18.11 No Constraint on Corporate Action. Nothing in this Plan shall be construed to: (a) limit, impair, or otherwise affect the Company's or another Participating Company's right or power to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets; or (b) limit the right or power of the Company or another Participating Company to take any action which such entity deems to be necessary or appropriate.

18.12 Unfunded Obligation. Participants shall have the status of general unsecured creditors of the Company. Any amounts payable to Participants pursuant to the Plan shall be considered unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974. No Participating Company shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Participant account shall not create or constitute a trust or fiduciary relationship between the Committee or any Participating Company and a Participant, or otherwise create any vested or beneficial interest in any Participant or the Participant's creditors in any assets of any Participating Company. The Participants shall have no claim against any Participating Company for any changes in the value of any assets which may be invested or reinvested by the Company with respect to the Plan.

18.13 Choice of Law. Except to the extent governed by applicable federal law, the validity, interpretation, construction and performance of the Plan and each Award Agreement shall be governed by the laws of the State of Delaware, without regard to its conflict of law rules.

IN WITNESS WHEREOF, the undersigned Secretary of the Company certifies that the foregoing sets forth the BigCommerce Holdings, Inc. 2020 Equity Incentive Plan as duly adopted by the Board on _____, 2020.

Jeff Mengoli, Secretary

BIGCOMMERCE HOLDINGS, INC.

2020 EMPLOYEE STOCK PURCHASE PLAN

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BigCommerce Holdings, Inc.
2020 Employee Stock Purchase Plan

1. **ESTABLISHMENT, PURPOSE AND TERM OF PLAN.**

1.1 **Establishment.** The BigCommerce Holdings, Inc. 2020 Employee Stock Purchase Plan is hereby established effective as of the effective date of the initial registration by the Company of its Stock under Section 12 of the Securities Exchange Act of 1934, as amended (the “*Effective Date*”).

1.2 **Purpose.** The purpose of the Plan is to advance the interests of the Company and its stockholders by providing an incentive to attract, retain and reward Eligible Employees of the Participating Company Group and by motivating such persons to contribute to the growth and profitability of the Participating Company Group. The Plan provides Eligible Employees with an opportunity to acquire a proprietary interest in the Company through the purchase of Stock. The Plan is comprised of the Section 423 Plan and the Non-423 Plan. The Company intends that the Section 423 Plan qualify as an “employee stock purchase plan” under Section 423 of the Code (including any amendments or replacements of such section), and the Section 423 Plan shall be so construed. The Non-423 Plan, which is not intended to qualify as an “employee stock purchase plan” under Section 423 of the Code, is intended to provide Eligible Employees employed by Participating Companies outside the United States with an opportunity to purchase shares of Stock pursuant to the terms and conditions of the Plan but not necessarily in compliance with the requirements of Section 423 of the Code.

1.3 **Term of Plan.** The Plan shall continue in effect until its termination by the Committee.

2. **DEFINITIONS AND CONSTRUCTION.**

2.1 **Definitions.** Any term not expressly defined in the Plan but defined for purposes of Section 423 of the Code shall have the same definition herein. Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) “**Board**” means the Board of Directors of the Company.

(b) “**Change in Control**” means the occurrence of any one or a combination of the following:

(i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total Fair Market Value or total combined voting power of the Company’s then-outstanding securities entitled to vote generally in the election of Directors; provided, however, that a Change in Control shall not be deemed to have occurred if such degree of beneficial ownership results from any of the following: (A) an acquisition by any person who on the Effective Date is the beneficial owner of more than fifty

percent (50%) of such voting power, (B) any acquisition directly from the Company, including, without limitation, pursuant to or in connection with a public offering of securities, (C) any acquisition by the Company, (D) any acquisition by a trustee or other fiduciary under an employee benefit plan of a Participating Company or (E) any acquisition by an entity owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of the voting securities of the Company; or

(ii) an Ownership Change Event or series of related Ownership Change Events (collectively, a “**Transaction**”) in which the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding securities entitled to vote generally in the election of Directors or, in the case of an Ownership Change Event described in Section 2.1(r)(iii), the entity to which the assets of the Company were transferred (the “**Transferee**”), as the case may be; or

(iii) a date specified by the Committee following approval by the stockholders of a plan of complete liquidation or dissolution of the Company;

provided, however, that a Change in Control shall be deemed not to include a transaction described in subsections (i) or (ii) of this Section 2.1(b) in which a majority of the members of the board of directors of the continuing, surviving or successor entity, or parent thereof, immediately after such transaction is comprised of Incumbent Directors.

For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company or the Transferee, as the case may be, either directly or through one or more subsidiary corporations or other business entities. The Committee shall determine whether multiple events described in subsections (i), (ii) and (iii) of this Section 2.1(b) are related and to be treated in the aggregate as a single Change in Control, and its determination shall be final, binding and conclusive.

(c) “**Code**” means the Internal Revenue Code of 1986, as amended, and any applicable regulations promulgated thereunder.

(d) “**Committee**” means the Compensation Committee and such other committee or subcommittee of the Board, if any, duly appointed to administer the Plan and having such powers in each instance as shall be specified by the Board. If, at any time, there is no committee of the Board then authorized or properly constituted to administer the Plan, the Board shall exercise all of the powers of the Committee granted herein, and, in any event, the Board may in its discretion exercise any or all of such powers.

(e) “**Company**” means BigCommerce Holdings, Inc., a Delaware corporation, or any successor corporation thereto.

(f) “**Compensation**” means, with respect to any Offering Period, a Participant’s regular base rate of pay.

(g) “**Eligible Employee**” means an Employee who meets the requirements set forth in Section 5 for eligibility to participate in the Plan.

(h) “**Employee**” means a person treated as an employee of a Participating Company, and, with respect to the Section 423 Plan, a person who is an employee for purposes of Section 423 of the Code. A Participant shall be deemed to have ceased to be an Employee either upon an actual termination of employment or upon the corporation employing the Participant ceasing to be a Participating Company. For purposes of the Section 423 Plan, an individual shall not be deemed to have ceased to be an Employee while on any military leave, sick leave, or other bona fide leave of absence approved by the Company of ninety (90) days or less. For purposes of the Section 423 Plan, if an individual’s leave of absence exceeds ninety (90) days, the individual shall be deemed to have ceased to be an Employee on the ninety-first (91st) day of such leave unless the individual’s right to reemployment with the Participating Company Group is guaranteed either by statute or by contract. The foregoing rules regarding leaves of absence shall apply equally for purposes of the Non-423 Plan, except as otherwise required by applicable Local Law.

(i) “**Fair Market Value**” means, as of any date:

(i) If, on such date, the Stock is listed or quoted on a national or regional securities exchange or quotation system, the closing price of a share of Stock as quoted on the national or regional securities exchange or quotation system constituting the primary market for the Stock, as reported in *The Wall Street Journal* or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Stock has traded on such securities exchange or quotation system, the date on which the Fair Market Value is established shall be the last day on which the Stock was so traded or quoted prior to the relevant date, or such other appropriate day as determined by the Committee, in its discretion.

(ii) If, on the relevant date, the Stock is not then listed on a national or regional securities exchange or quotation system, the Fair Market Value of a share of Stock shall be as determined in good faith by the Committee.

(j) “**Incumbent Director**” means a director who either (i) is a member of the Board as of the Effective Date or (ii) is elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but excluding a director who was elected or nominated in connection with an actual or threatened proxy contest relating to the election of directors of the Company).

(k) “**Local Law**” means the applicable laws of the non-United States jurisdiction governing the participation in the Plan of an Eligible Employee.

(l) “**Non-423 Plan**” means that component of the Plan which is not intended to be an “employee stock purchase plan” under Section 423 of the Code and need not necessarily comply with the requirements of Section 423 of the Code.

(m) “**Non-United States Offering**” means either (i) an Offering under the Section 423 Plan covering Eligible Employees employed by a Participating Company outside the United States, provided that the terms of such Offering comply with the requirements of

Section 423 of the Code, including such variations in terms of Purchase Rights as permitted by Section 3.4; or (ii) an Offering under the Non-423 Plan covering Eligible Employees of one or more Participating Companies outside the United States, the terms of which need not comply with the requirements of Section 423 of the Code.

(n) “**Offering**” means an offering of Stock pursuant to the Plan, as provided in Section 6.

(o) “**Offering Date**” means, for any Offering Period, the first day of such Offering Period.

(p) “**Offering Period**” means a period, established by the Committee in accordance with Section 6.1, during which an Offering is outstanding.

(q) “**Officer**” means any person designated by the Board as an officer of the Company.

(r) “**Ownership Change Event**” means the occurrence of any of the following with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of securities of the Company representing more than fifty percent (50%) of the total combined voting power of the Company’s then outstanding securities entitled to vote generally in the election of Directors; (ii) a merger or consolidation in which the Company is a party; or (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company (other than a sale, exchange or transfer to one or more subsidiaries of the Company).

(s) “**Parent Corporation**” means any present or future “parent corporation” of the Company, as defined in Section 424(e) of the Code.

(t) “**Participant**” means an Eligible Employee who has become a participant in an Offering Period in accordance with Section 7 and remains a participant in accordance with the Plan.

(u) “**Participating Company**” means the Company and any Parent Corporation or Subsidiary Corporation designated by the Committee as a corporation the Employees of which may, if Eligible Employees, participate in the Plan. The Committee shall have the discretion to determine from time to time which Parent Corporations or Subsidiary Corporations shall be Participating Companies. The Committee shall designate from time to time and set forth in Appendix A to this Plan those Participating Companies whose Eligible Employees may participate in the Section 423 Plan and those Participating Companies whose Eligible Employees may participate in the Non-423 Plan.

(v) “**Participating Company Group**” means, at any point in time, the Company and all other corporations collectively which are then Participating Companies.

(w) “**Plan**” means this 2020 Employee Stock Purchase Plan of the Company, as amended from time to time, comprised of the Section 423 Plan and the Non-423 Plan.

(x) “**Purchase Date**” means, for any Offering Period, the last day of such Offering Period, or, if so determined by the Committee, the last day of each Purchase Period occurring within such Offering Period, on which outstanding Purchase Rights are exercised.

(y) “**Purchase Period**” means a period, established by the Committee in accordance with Section 6.1 and included within an Offering Period, the final date of which is a Purchase Date.

(z) “**Purchase Price**” means the price at which a share of Stock may be purchased under the Plan, as determined in accordance with Section 9.

(aa) “**Purchase Right**” means an option granted to a Participant pursuant to the Plan to purchase such shares of Stock as provided in Section 8, which the Participant may or may not exercise during the Offering Period in which such option is outstanding. Such option arises from the right of a Participant to withdraw any payroll deductions or other funds accumulated on behalf of the Participant and not previously applied to the purchase of Stock under the Plan, and to terminate participation in the Plan at any time during an Offering Period.

(bb) “**Registration Date**” means the effective date of the registration on Form S-8 of shares of Stock issuable pursuant to the Plan.

(cc) “**Section 423 Plan**” means that component of the Plan which is intended to be an “employee stock purchase plan” under Section 423 of the Code.

(dd) “**Securities Act**” means the Securities Act of 1933, as amended.

(ee) “**Stock**” means the Common Stock of the Company, as adjusted from time to time in accordance with Section 4.2.

(ff) “**Subscription Agreement**” means a written or electronic agreement, in such form as is specified by the Company, stating an Employee’s election to participate in the Plan and authorizing payroll deductions under the Plan from the Employee’s Compensation or other method of payment authorized by the Committee pursuant to Section 11.1(b).

(gg) “**Subscription Date**” means the last business day prior to the Offering Date of an Offering Period or such earlier date as the Company shall establish.

(hh) “**Subsidiary Corporation**” means any present or future “subsidiary corporation” of the Company, as defined in Section 424(f) of the Code.

2.2 **Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

3. **ADMINISTRATION.**

3.1 **Administration by the Committee.** The Plan shall be administered by the Committee. All questions of interpretation of the Plan, of any form of agreement or other document employed by the Company in the administration of the Plan, or of any Purchase Right shall be determined by the Committee, and such determinations shall be final, binding and conclusive upon all persons having an interest in the Plan or the Purchase Right, unless fraudulent or made in bad faith. Subject to the provisions of the Plan, the Committee shall determine all of the relevant terms and conditions of Purchase Rights; provided, however, that all Participants granted Purchase Rights pursuant to an Offering under the Section 423 Plan shall have the same rights and privileges within the meaning of Section 423(b)(5) of the Code, other than for such variations in terms of Purchase Rights as permitted by Section 3.4. Any and all actions, decisions and determinations taken or made by the Committee in the exercise of its discretion pursuant to the Plan or any agreement thereunder (other than determining questions of interpretation pursuant to the second sentence of this Section 3.1) shall be final, binding and conclusive upon all persons having an interest therein. All expenses incurred in connection with the administration of the Plan shall be paid by the Company.

3.2 **Authority of Officers.** Any Officer shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election that is the responsibility of or that is allocated to the Company herein, provided that the Officer has apparent authority with respect to such matter, right, obligation, determination or election.

3.3 **Power to Adopt Sub-Plans.** The Committee shall have the power, in its discretion, to adopt one or more sub-plans of the Plan as the Committee deems necessary or desirable to comply with the laws or regulations, tax policy, accounting principles or custom of foreign jurisdictions applicable to employees of a subsidiary business entity of the Company, provided that any such sub-plan shall be within the scope of the Non-423 Plan. Any of the provisions of any such sub-plan may supersede the provisions of this Plan, other than Section 4. Except as superseded by the provisions of a sub-plan, the provisions of this Plan shall govern such sub-plan.

3.4 **Power to Vary Terms with Respect to Non-U.S. Employees.** In order to comply with the laws of a foreign jurisdiction, the Committee shall have the power, in its discretion and as permitted by Section 423 of the Code, to grant Purchase Rights in an Offering under the Section 423 Plan to citizens or residents of a non-U.S. jurisdiction (without regard to whether they are also citizens of the United States or resident aliens) that provide terms which are less favorable than the terms of Purchase Rights granted under the same Offering to Employees resident in the United States.

3.5 **Power to Establish Separate Offerings with Varying Terms.** The Committee shall have the power, in its discretion, to establish separate, simultaneous or overlapping Offerings having different terms and conditions and to designate the Participating Company or Companies that may participate in a particular Offering, provided that each Offering under the Section 423 Plan shall individually comply with the terms of the Plan and the requirements of Section 423(b)(5) of the Code that all Participants granted Purchase Rights pursuant to such Offering shall have the same rights and privileges within the meaning of such section, other than for such variations in terms of Purchase Rights as permitted by Section 3.4.

3.6 Policies and Procedures Established by the Company. Without regard to whether any Participant's Purchase Right may be considered adversely affected, the Company may, from time to time, consistent with the Plan and the requirements of Section 423 of the Code in the case of the Section 423 Plan, establish, change or terminate such rules, guidelines, policies, procedures, limitations, or adjustments as deemed advisable by the Company, in its discretion, for the proper administration of the Plan, including, without limitation, (a) a minimum payroll deduction amount required for participation in an Offering, (b) a limitation on the frequency or number of changes permitted in the rate of payroll deduction during an Offering, (c) an exchange ratio applicable to amounts withheld or paid in a currency other than United States dollars, (d) a payroll deduction greater than or less than the amount designated by a Participant in order to adjust for the Company's delay or mistake in processing a Subscription Agreement or in otherwise effecting a Participant's election under the Plan or as advisable to comply with the requirements of Section 423 of the Code, and (e) determination of the date and manner by which the Fair Market Value of a share of Stock is determined for purposes of administration of the Plan. All such actions by the Company with respect to the Section 423 Plan shall be taken consistent with the requirements under Section 423(b)(5) of the Code that all Participants granted Purchase Rights pursuant to an Offering shall have the same rights and privileges within the meaning of such section, except as otherwise permitted by Section 3.4 and the regulations under Section 423 of the Code.

3.7 Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or the Committee or as officers or employees of the Participating Company Group, to the extent permitted by applicable law, members of the Board or the Committee and any officers or employees of the Participating Company Group to whom authority to act for the Board, the Committee or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

4. **SHARES SUBJECT TO PLAN.**

4.1 Maximum Number of Shares Issuable. Subject to adjustment as provided in Section 4.2, the maximum aggregate number of shares of Stock that may be issued under the Plan and the Section 423 Plan shall be 1,936,943 of the shares of Stock issued and outstanding on the Registration Date, and the maximum aggregate number of shares of Stock that may be issued under the Non-423 Plan shall be 1,936,943 of the shares of Stock issued and

outstanding on the Registration Date, less the aggregate number of shares of Stock issued under the Section 423 Plan. Shares issued under the Plan shall consist of authorized but unissued or reacquired shares of Stock, or any combination thereof. If an outstanding Purchase Right for any reason expires or is terminated or canceled, the shares of Stock allocable to the unexercised portion of that Purchase Right shall again be available for issuance under the Plan.

4.2 Annual Increase in Maximum Number of Shares Issuable. Subject to adjustment as provided in Section 4.2, the maximum aggregate number of shares of Stock that may be issued under the Plan as set forth in Section 4.1 shall be cumulatively increased automatically on January 1, 2021 and on each subsequent January 1, through and including January 1, 2031, by a number of shares (the “**Annual Increase**”) equal to the smallest of (a) one percent (1%) of the number of shares of Stock issued and outstanding on the immediately preceding December 31 or (b) an amount determined by the Board.

4.3 Adjustments for Changes in Capital Structure. Subject to any required action by the stockholders of the Company and the requirements of Section 424 of the Code to the extent applicable, in the event of any change in the Stock effected without receipt of consideration by the Company, whether through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, or similar change in the capital structure of the Company, or in the event of payment of a dividend or distribution to the stockholders of the Company in a form other than Stock (excepting regular, periodic cash dividends) that has a material effect on the Fair Market Value of shares of Stock, appropriate and proportionate adjustments shall be made in the number and kind of shares subject to the Plan, any limit on the number of shares which may be purchased by any Participant during an Offering Period or Purchase Period (as described in Sections 8.1 and 8.2), the number of shares subject to each Purchase Right, and in the Purchase Price in order to prevent dilution or enlargement of Participants’ rights under the Plan. For purposes of the foregoing, conversion of any convertible securities of the Company shall not be treated as “effected without receipt of consideration by the Company.” If a majority of the shares which are of the same class as the shares that are subject to outstanding Purchase Rights are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the “**New Shares**”), the Committee may unilaterally amend the outstanding Purchase Rights to provide that such Purchase Rights are for New Shares. In the event of any such amendment, the number of shares subject to, and the exercise price per share of, the outstanding Purchase Rights shall be adjusted in a fair and equitable manner as determined by the Committee, in its discretion. Any fractional share resulting from an adjustment pursuant to this Section shall be rounded down to the nearest whole number, and in no event may the Purchase Price be decreased to an amount less than the par value, if any, of the stock subject to the Purchase Right. The adjustments determined by the Committee pursuant to this Section 4.2 shall be final, binding and conclusive.

5. **ELIGIBILITY.**

5.1 **Employees Eligible to Participate.** Each Employee of a Participating Company is eligible to participate in the Plan and shall be deemed an Eligible Employee, except the following:

- (a) Any Employee who is customarily employed by the Participating Company Group for twenty (20) hours or less per week;
- (b) Any Employee who is customarily employed by the Participating Company Group for not more than five (5) months in any calendar year; or
- (c) Any Employee that has not met been customarily employed by the Participating Company Group for at least six months or such other service requirement period designated by the Committee, in its sole discretion, pursuant to Section 423(b)(4)(A) of the Code (not to exceed two years).

Further provided that any exclusion in clause (c) will be applied in an identical manner to all Participants of each Offering under the Section 423 Plan, in accordance with U.S. Treasury Regulation Section 1.423-2(e).

An Eligible Employee shall be eligible to participate in the Section 423 Plan or the Non-423 Plan in accordance with the designation in Appendix A of the Employee's employer as either a Section 423 Plan Participating Company or a Non-423 Plan Participating Company. Notwithstanding the foregoing, an Employee of a Participating Company designated in Appendix A as a Section 423 Plan Participating Company who is a citizen or resident of a non-United States jurisdiction (without regard to whether the Employee is also a citizen of the United States or a resident alien) may be excluded from participation in the Section 423 Plan or an Offering thereunder if either (i) the grant of a Purchase Right under the Section 423 Plan or Offering to a citizen or resident of the foreign jurisdiction is prohibited under the Local Law of such jurisdiction or (ii) compliance with the Local Law of such jurisdiction would cause the Section 423 Plan or Offering to violate the requirements of Section 423 of the Code. For purposes of participation in the Non-423 Plan, Eligible Employees shall include any other Employees of the applicable Non-423 Plan Participating Company to the extent that applicable Local Law requires participation in the Plan to be extended to such Employees, as determined by the Company.

5.2 **Exclusion of Certain Stockholders.** Notwithstanding any provision of the Plan to the contrary, no Employee shall be treated as an Eligible Employee and granted a Purchase Right under the Section 423 Plan if, immediately after such grant, the Employee would own, or hold options to purchase, stock of the Company or of any Parent Corporation or Subsidiary Corporation possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of such corporation, as determined in accordance with Section 423(b)(3) of the Code. For purposes of this Section 5.2, the attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of such Employee.

5.3 **Determination by Company.** The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee or an Eligible Employee and the effective date of such individual's attainment or termination of such status, as the case may be. For purposes of an individual's participation in or other rights, if any, under the Plan as of the time of the Company's determination of whether or not the individual is an Employee, all such determinations by the Company shall be final, binding and conclusive as to such rights, if any, notwithstanding that the Company or any court of law or governmental agency subsequently makes a contrary determination as to such individual's status as an Employee.

6. **OFFERINGS.**

6.1 **Offering Periods.** The Plan shall be implemented by sequential Offerings of approximately six (6) months' duration or such other duration as the Committee shall determine. Offering Periods shall commence and end on the dates determined by the Committee in its sole and absolute discretion. Notwithstanding the foregoing, the Committee may establish additional or alternative concurrent, sequential or overlapping Offering Periods, a different duration for one or more Offering Periods or different commencing or ending dates for such Offering Periods; provided, however, that no Offering Period may have a duration exceeding twenty-seven (27) months. If the Committee shall so determine in its discretion, each Offering Period may consist of two (2) or more consecutive Purchase Periods having such duration as the Committee shall specify, and the last day of each such Purchase Period shall be a Purchase Date. If the first or last day of an Offering Period or a Purchase Period is not a day on which the principal stock exchange or quotation system on which the Stock is then listed is open for trading, the Company shall specify the trading day that will be deemed the first or last day, as the case may be, of the Offering Period or Purchase Period.

6.2 **Non-United States Offerings.** The Committee shall communicate to the Employees eligible to participate in a Non-United States Offering (whether pursuant to the Section 423 Plan or the Non-423 Plan) those terms of the Non-United States Offering that differ from the terms otherwise applicable to the relevant Offering covering Eligible Employees employed by a Participating Company within the United States under the Section 423 Plan a reasonable period of time prior to the Subscription Date for such Non-United States Offering.

7. **PARTICIPATION IN THE PLAN.**

7.1 **Initial Participation.**

(a) **Generally.** An Eligible Employee may become a Participant in an Offering Period by delivering a properly completed written or electronic Subscription Agreement to the Company office or representative designated by the Company (including a third-party administrator designated by the Company) not later than the close of business on the Subscription Date established by the Company for that Offering Period. An Eligible Employee who does not deliver a properly completed Subscription Agreement in the manner permitted or required on or before the Subscription Date for an Offering Period shall not participate in the Plan for that Offering Period or for any subsequent Offering Period unless the Eligible Employee subsequently delivers a properly completed Subscription Agreement to the appropriate Company office or representative on or before the Subscription Date for such subsequent Offering Period. An Employee who becomes an Eligible Employee after the Offering Date of an Offering Period shall not be eligible to participate in that Offering Period but may participate in any subsequent Offering Period provided the Employee is still an Eligible Employee as of the Offering Date of such subsequent Offering Period.

7.2 Continued Participation.

(a) **Generally.** A Participant shall automatically participate in the next Offering Period commencing immediately after the final Purchase Date of each Offering Period in which the Participant participates provided that the Participant remains an Eligible Employee on the Offering Date of the new Offering Period and has not either (a) withdrawn from the Plan pursuant to Section 12.1, or (b) terminated employment or otherwise ceased to be an Eligible Employee as provided in Section 13. A Participant who may automatically participate in a subsequent Offering Period, as provided in this Section, is not required to deliver any additional Subscription Agreement for the subsequent Offering Period in order to continue participation in the Plan. However, a Participant may deliver a new Subscription Agreement for a subsequent Offering Period in accordance with the procedures set forth in Section 7.1(a) if the Participant desires to change any of the elections contained in the Participant's then effective Subscription Agreement.

8. RIGHT TO PURCHASE SHARES.

8.1 **Grant of Purchase Right.** Except as provided below, on the Offering Date of each Offering Period, each Participant in such Offering Period shall be granted automatically a Purchase Right consisting of an option to purchase that number of whole shares of Stock determined by dividing the Dollar Limit (determined as provided below) by the Fair Market Value of a share of Stock on such Offering Date. The Committee may, in its discretion and prior to the Offering Date of any Offering Period, (i) change the method of, or any of the foregoing factors in, determining the number of shares of Stock subject to Purchase Rights to be granted on such Offering Date, or (ii) specify a maximum aggregate number of shares that may be purchased by all Participants in an Offering or on any Purchase Date within an Offering Period. No Purchase Right shall be granted on an Offering Date to any person who is not, on such Offering Date, an Eligible Employee. For the purposes of this Section, the "**Dollar Limit**" shall be determined by multiplying \$2,083.33 by the number of months (rounded to the nearest whole month) in the Offering Period and rounding to the nearest whole dollar.

8.2 **Calendar Year Purchase Limitation.** Notwithstanding any provision of the Plan to the contrary, no Participant (whether participating in the Section 423 Plan or the Non-423 Plan) shall be granted a Purchase Right which permits his or her right to purchase shares of Stock under the Plan to accrue at a rate which, when aggregated with such Participant's rights to purchase shares under all other employee stock purchase plans of a Participating Company intended to meet the requirements of Section 423 of the Code, exceeds Twenty-Five Thousand Dollars (\$25,000) in Fair Market Value (or such other limit, if any, as may be imposed by the Code) for each calendar year in which such Purchase Right is outstanding at any time. For purposes of the preceding sentence, the Fair Market Value of shares purchased during a given Offering Period shall be determined as of the Offering Date for such Offering Period. The limitation described in this Section shall be applied in conformance with Section 423(b)(8) of the Code or any successor thereto and the regulations thereunder.

9. PURCHASE PRICE.

The Purchase Price at which each share of Stock may be acquired in an Offering Period upon the exercise of all or any portion of a Purchase Right shall be established by the Committee; provided, however, that the Purchase Price on each Purchase Date shall not be less

than eighty-five percent (85%) of the lesser of (a) the Fair Market Value of a share of Stock on the Offering Date of the Offering Period or (b) the Fair Market Value of a share of Stock on the Purchase Date. Subject to adjustment as provided by the Plan and unless otherwise provided by the Committee, the Purchase Price for each Offering Period shall be eighty five percent (85%) of the average of (a) the Fair Market Value of a share of Stock on the Offering Date of the Offering Period and (b) the Fair Market Value of a share of Stock on the Purchase Date.

10. **ACCUMULATION OF PURCHASE PRICE THROUGH PAYROLL DEDUCTION.**

Except as provided in Section 11.1(b) with respect to a Non-United States Offering or except as otherwise provided by the Committee in connection with an Offering under the Non-423 Plan, shares of Stock acquired pursuant to the exercise of all or any portion of a Purchase Right may be paid for only by means of payroll deductions from the Participant's Compensation accumulated during the Offering Period for which such Purchase Right was granted, subject to the following:

10.1 **Amount of Payroll Deductions.** Except as otherwise provided herein, the amount to be deducted under the Plan from a Participant's Compensation on each pay day during an Offering Period shall be determined by the Participant's Subscription Agreement. The Subscription Agreement shall set forth the percentage of the Participant's Compensation to be deducted on each pay day during an Offering Period in whole percentages of not less than one percent (1%) (except as a result of an election pursuant to Section 10.3 to stop payroll deductions effective following the first pay day during an Offering) or more than fifteen percent (15%). The Committee may change the foregoing limits on payroll deductions effective as of any Offering Date.

10.2 **Commencement of Payroll Deductions.** Payroll deductions shall commence on the first pay day occurring on or following the Offering Date and shall continue to the end of the Offering Period unless sooner altered or terminated as provided herein.

10.3 **Election to Decrease or Stop Payroll Deductions.** During an Offering Period, a Participant may elect to decrease the rate of or to stop (but not to increase) deductions from his or her Compensation by delivering to the Company office or representative designated by the Company (including a third-party administrator designated by the Company) an amended Subscription Agreement authorizing such change on or before the "Change Notice Date." The "**Change Notice Date**" shall be a date prior to the beginning of the first pay period for which such election is to be effective as established by the Company from time to time and announced to the Participants. A Participant who elects, effective following the first pay day of an Offering Period, to decrease the rate of his or her payroll deductions to zero percent (0%) shall nevertheless remain a Participant in such Offering Period unless the Participant withdraws from the Plan as provided in Section 12.1.

10.4 **Election to Increase Payroll Deductions for Subsequent Offering.** Prior to the Offering Date of any Offering Period, an Eligible Employee may elect to increase the rate of deductions from Compensation (not in excess of the limit set forth in Section 10.1) effective with the next Offering Period by delivering to the Company office or representative designated by the Company (including a third-party administrator designated by the Company) an amended Subscription Agreement authorizing such change on or before the Change Notice Date prior to the commencement of such new Offering Period.

10.5 Administrative Suspension of Payroll Deductions. The Company may, in its discretion, suspend a Participant's payroll deductions under the Plan as the Company deems advisable to avoid accumulating payroll deductions in excess of the amount that could reasonably be anticipated to purchase the maximum number of shares of Stock permitted (a) under the Participant's Purchase Right, or (b) during a calendar year under the limit set forth in Section 8.2. Unless the Participant has either withdrawn from the Plan as provided in Section 12.1 or has ceased to be an Eligible Employee, suspended payroll deductions shall be resumed at the rate specified in the Participant's then effective Subscription Agreement either (i) at the beginning of the next Offering Period if the reason for suspension was clause (a) in the preceding sentence, or (ii) at the beginning of the next Offering Period having a first Purchase Date that falls within the subsequent calendar year if the reason for suspension was clause (b) in the preceding sentence.

10.6 Participant Accounts. Individual bookkeeping accounts shall be maintained for each Participant. All payroll deductions from a Participant's Compensation (and other amounts received from a non-United States Participant pursuant to Section 11.1(b) or pursuant to an Offering under the Non-423 Plan) shall be credited to such Participant's Plan account and shall be deposited with the general funds of the Company (except as otherwise required by Local Law in connection with an Offering under the Non-423 Plan). All such amounts received or held by the Company may be used by the Company for any corporate purpose.

10.7 No Interest Paid. Interest shall not be paid on sums deducted from a Participant's Compensation pursuant to the Plan or otherwise credited to the Participant's Plan account (except as otherwise required by Local Law in connection with an Offering under the Non-423 Plan).

10.8 Voluntary Withdrawal from Plan Account. A Participant may withdraw all or any portion of the payroll deductions credited to his or her Plan account and not previously applied toward the purchase of Stock by delivering to the Company a written notice on a form provided by the Company for such purpose. A Participant who withdraws the entire remaining balance credited to his or her Plan account shall be deemed to have withdrawn from the Plan in accordance with Section 12.1. Amounts withdrawn shall be returned to the Participant as soon as practicable after the withdrawal and may not be applied to the purchase of shares in any Offering under the Plan. The Company may from time to time establish or change limitations on the frequency of withdrawals permitted under this Section, establish a minimum dollar amount that must be retained in the Participant's Plan account, or terminate the withdrawal right provided by this Section.

11. **PURCHASE OF SHARES.**

11.1 **Exercise of Purchase Right.**

(a) **Generally.** Except as provided in Section 11.1(b), on each Purchase Date of an Offering Period, each Participant who has not withdrawn from the Plan and whose participation in the Offering has not otherwise terminated before such Purchase Date shall automatically acquire pursuant to the exercise of the Participant's Purchase Right the number of whole shares of Stock determined by dividing (a) the total amount of the Participant's payroll deductions accumulated in the Participant's Plan account during the Offering Period and not previously applied toward the purchase of Stock by (b) the Purchase Price. However, in no event shall the number of shares purchased by the Participant during an Offering Period exceed the number of shares subject to the Participant's Purchase Right. No shares of Stock shall be purchased on a Purchase Date on behalf of a Participant whose participation in the Offering or the Plan has terminated before such Purchase Date.

(b) **Purchase by Non-United States Participants for Whom Payroll Deductions Are Prohibited by Applicable Law.**

Notwithstanding Section 11.1(a), where payroll deductions on behalf of Participants who are citizens or residents of countries other than the United States (without regard to whether they are also citizens of the United States or resident aliens) are prohibited or made impracticable by applicable Local Law, the Committee may establish a separate Offering (a "**Non-United States Offering**") covering all Eligible Employees of one or more Participating Companies subject to such prohibition or restrictions on payroll deductions. The Non-United States Offering shall provide another method for payment of the Purchase Price with such terms and conditions as shall be administratively convenient and comply with applicable Local Law. On each Purchase Date of the Offering Period applicable to a Non-United States Offering, each Participant who has not withdrawn from the Plan and whose participation in such Offering Period has not otherwise terminated before such Purchase Date shall automatically acquire pursuant to the exercise of the Participant's Purchase Right a number of whole shares of Stock determined in accordance with Section 11.1(a) to the extent of the total amount of the Participant's Plan account balance accumulated during the Offering Period in accordance with the method established by the Committee and not previously applied toward the purchase of Stock. However, in no event shall the number of shares purchased by a Participant during such Offering Period exceed the number of shares subject to the Participant's Purchase Right. The Company shall refund to a Participant in a Non-United States Offering in accordance with Section 11.4 any excess Purchase Price payment received from such Participant.

11.2 **Pro Rata Allocation of Shares.** If the number of shares of Stock which might be purchased by all Participants on a Purchase Date exceeds the number of shares of Stock remaining available for issuance under the Plan or the maximum aggregate number of shares of Stock that may be purchased on such Purchase Date pursuant to a limit established by the Committee pursuant to Section 8.1, the Company shall make a pro rata allocation of the shares available in as uniform a manner as practicable and as the Company determines to be equitable. Any fractional share resulting from such pro rata allocation to any Participant shall be disregarded.

11.3 **Delivery of Title to Shares.** Subject to any governing rules or regulations, as soon as practicable after each Purchase Date, the Company shall issue or cause to be issued to or for the benefit of each Participant the shares of Stock acquired by the Participant on such Purchase Date by means of one or more of the following: (a) by delivering to the Participant evidence of book entry shares of Stock credited to the account of the Participant,

(b) by depositing such shares of Stock for the benefit of the Participant with any broker with which the Participant has an account relationship, or (c) by delivering such shares of Stock to the Participant in certificate form.

11.4 Return of Plan Account Balance. Any cash balance remaining in a Participant's Plan account following any Purchase Date shall be refunded to the Participant as soon as practicable after such Purchase Date. However, if the cash balance to be returned to a Participant pursuant to the preceding sentence is less than the amount that would have been necessary to purchase an additional whole share of Stock on such Purchase Date, the Company may retain the cash balance in the Participant's Plan account to be applied toward the purchase of shares of Stock in the subsequent Purchase Period or Offering Period.

11.5 Tax Withholding. At the time a Participant's Purchase Right is exercised, in whole or in part, or at the time a Participant disposes of some or all of the shares of Stock he or she acquires under the Plan, the Participant shall make adequate provision for the federal, state, local and foreign taxes (including social insurance), if any, required to be withheld by any Participating Company upon exercise of the Purchase Right or upon such disposition of shares, respectively. A Participating Company may, but shall not be obligated to, withhold from the Participant's compensation the amount necessary to meet such withholding obligations. The Company or any other Participating Company shall have the right to take such other action as it determines to be necessary or advisable to satisfy withholding obligations for such taxes.

11.6 Expiration of Purchase Right. Any portion of a Participant's Purchase Right remaining unexercised after the end of the Offering Period to which the Purchase Right relates shall expire immediately upon the end of the Offering Period.

11.7 Provision of Reports and Stockholder Information to Participants. Each Participant who has exercised all or part of his or her Purchase Right shall receive, as soon as practicable after the Purchase Date, a report of such Participant's Plan account setting forth the total amount credited to his or her Plan account prior to such exercise, the number of shares of Stock purchased, the Purchase Price for such shares, the date of purchase and the cash balance, if any, remaining immediately after such purchase that is to be refunded or retained in the Participant's Plan account pursuant to Section 11.4. The report required by this Section may be delivered or made available in such form and by such means, including by electronic transmission, as the Company may determine. In addition, each Participant shall be provided information concerning the Company equivalent to that information provided generally to the Company's common stockholders.

12. WITHDRAWAL FROM PLAN.

12.1 Voluntary Withdrawal from the Plan. A Participant may withdraw from the Plan by signing and delivering to the Company office or representative designated by the Company (including a third-party administrator designated by the Company) a written or electronic notice of withdrawal on a form provided by the Company for this purpose. Such withdrawal may be elected at any time prior to the end of an Offering Period; provided, however, that if a Participant withdraws from the Plan after a Purchase Date, the withdrawal shall not affect shares of Stock acquired by the Participant on such Purchase Date. A Participant who

voluntarily withdraws from the Plan is prohibited from resuming participation in the Plan in the same Offering from which he or she withdrew, but may participate in any subsequent Offering by again satisfying the requirements of Sections 5 and 7.1. The Company may impose, from time to time, a requirement that the notice of withdrawal from the Plan be on file with the Company office or representative designated by the Company for a reasonable period prior to the effectiveness of the Participant's withdrawal.

12.2 Return of Plan Account Balance. Upon a Participant's voluntary withdrawal from the Plan pursuant to Section 12.1, the Participant's accumulated Plan account balance which has not been applied toward the purchase of shares of Stock shall be refunded to the Participant as soon as practicable after the withdrawal, without the payment of any interest (except as otherwise required by Local Law in connection with an Offering under the Non-423 Plan), and the Participant's interest in the Plan and the Offering shall terminate. Such amounts to be refunded in accordance with this Section may not be applied to any other Offering under the Plan.

13. TERMINATION OF EMPLOYMENT OR ELIGIBILITY.

Upon a Participant's ceasing, prior to a Purchase Date, to be an Employee of the Participating Company Group for any reason, including retirement, disability or death, or upon the failure of a Participant to remain an Eligible Employee, the Participant's participation in the Plan shall terminate immediately. In such event, the Participant's Plan account balance which has not been applied toward the purchase of shares of Stock shall, as soon as practicable, be returned to the Participant or, in the case of the Participant's death, to the Participant's beneficiary designated in accordance with Section 20, if any, or legal representative, and all of the Participant's rights under the Plan shall terminate. Interest shall not be paid on sums returned pursuant to this Section 13 (except as otherwise required by Local Law in connection with an Offering under the Non-423 Plan). A Participant whose participation has been so terminated may again become eligible to participate in the Plan by satisfying the requirements of Sections 5 and 7.1.

14. EFFECT OF CHANGE IN CONTROL ON PURCHASE RIGHTS.

In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or parent thereof, as the case may be (the "**Acquiring Corporation**"), may, without the consent of any Participant, assume or continue the Company's rights and obligations under outstanding Purchase Rights or substitute substantially equivalent purchase rights for the Acquiring Corporation's stock. If the Acquiring Corporation elects not to assume, continue or substitute for the outstanding Purchase Rights, the Purchase Date of the then current Offering Period shall be accelerated to a date before the date of the Change in Control specified by the Committee, but the number of shares of Stock subject to outstanding Purchase Rights shall not be adjusted. All Purchase Rights which are neither assumed or continued by the Acquiring Corporation in connection with the Change in Control nor exercised as of the date of the Change in Control shall terminate and cease to be outstanding effective as of the date of the Change in Control.

15. **NONTRANSFERABILITY OF PURCHASE RIGHTS.**

Neither payroll deductions or other amounts credited to a Participant's Plan account nor a Participant's Purchase Right may be assigned, transferred, pledged or otherwise disposed of in any manner other than as provided by the Plan or by will or the laws of descent and distribution. (A beneficiary designation pursuant to Section 20 shall not be treated as a disposition for this purpose.) Any such attempted assignment, transfer, pledge or other disposition shall be without effect, except that the Company may treat such act as an election to withdraw from the Plan as provided in Section 12.1. A Purchase Right shall be exercisable during the lifetime of the Participant only by the Participant.

16. **COMPLIANCE WITH APPLICABLE LAW.**

The issuance of shares of Stock or other property under the Plan shall be subject to compliance with all applicable requirements of federal, state and foreign securities law and other applicable laws, rules and regulations, and approvals by government agencies as may be required or as the Company deems necessary or advisable. A Purchase Right may not be exercised if the issuance of shares upon such exercise would constitute a violation of any applicable federal, state or foreign securities laws or other law or regulations or the requirements of any securities exchange or market system upon which the Stock may then be listed. In addition, no Purchase Right may be exercised unless (a) a registration statement under the Securities Act shall at the time of exercise of the Purchase Right be in effect with respect to the shares issuable upon exercise of the Purchase Right, or (b) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Purchase Right may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares under the Plan shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of a Purchase Right, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

17. **RIGHTS AS A STOCKHOLDER AND EMPLOYEE.**

A Participant shall have no rights as a stockholder by virtue of the Participant's participation in the Plan until the date of the issuance of the shares of Stock purchased pursuant to the exercise of the Participant's Purchase Right (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such shares are issued, except as provided in Section 4.2. Nothing herein shall confer upon a Participant any right to continue in the employ of the Participating Company Group or interfere in any way with any right of any Participating Company to terminate the Participant's employment at any time.

18. **NOTIFICATION OF DISPOSITION OF SHARES.**

The Company may require the Participant to give the Company prompt notice of any disposition of shares of Stock acquired by exercise of a Purchase Right. The Company may require that until such time as a Participant disposes of shares of Stock acquired upon exercise of a Purchase Right, the Participant shall hold all such shares in the Participant's name until the later of two years after the date of grant of such Purchase Right or one year after the date of exercise of such Purchase Right. The Company may direct that the certificates evidencing shares of Stock acquired by exercise of a Purchase Right refer to such requirement to give prompt notice of disposition.

19. **LEGENDS.**

The Company may at any time place legends or other identifying symbols referencing any applicable federal, state or foreign securities law restrictions or any provision convenient in the administration of the Plan on some or all of the certificates representing shares of Stock issued under the Plan. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to a Purchase Right in the possession of the Participant in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include but shall not be limited to the following:

“THE SHARES EVIDENCED BY THIS CERTIFICATE WERE ISSUED BY THE CORPORATION TO THE REGISTERED HOLDER UPON THE PURCHASE OF SHARES UNDER AN EMPLOYEE STOCK PURCHASE PLAN AS DEFINED IN SECTION 423 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE TRANSFER AGENT FOR THE SHARES EVIDENCED HEREBY SHALL NOTIFY THE CORPORATION IMMEDIATELY OF ANY TRANSFER OF THE SHARES BY THE REGISTERED HOLDER HEREOF. THE REGISTERED HOLDER SHALL HOLD ALL SHARES PURCHASED UNDER THE PLAN IN THE REGISTERED HOLDER'S NAME (AND NOT IN THE NAME OF ANY NOMINEE).”

20. **DESIGNATION OF BENEFICIARY.**

20.1 **Designation Procedure.** Subject to applicable Local Law and procedures, a Participant may file a written designation of a beneficiary who is to receive (a) shares and cash, if any, from the Participant's Plan account if the Participant dies subsequent to a Purchase Date but prior to delivery to the Participant of such shares and cash, or (b) cash, if any, from the Participant's Plan account if the Participant dies prior to the exercise of the Participant's Purchase Right. If a married Participant designates a beneficiary other than the Participant's spouse, the effectiveness of such designation may be subject to the consent of the Participant's spouse. A Participant may change his or her beneficiary designation at any time by written notice to the Company.

20.2 Absence of Beneficiary Designation. If a Participant dies without an effective designation pursuant to Section 20.1 of a beneficiary who is living at the time of the Participant's death, the Company shall deliver any shares or cash credited to the Participant's Plan account to the Participant's legal representative or as otherwise required by applicable law.

21. NOTICES.

All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

22. AMENDMENT OR TERMINATION OF THE PLAN.

The Committee may at any time amend, suspend or terminate the Plan, except that (a) no such amendment, suspension or termination shall affect Purchase Rights previously granted under the Plan unless expressly provided by the Committee, and (b) no such amendment, suspension or termination may adversely affect a Purchase Right previously granted under the Plan without the consent of the Participant, except to the extent permitted by the Plan or as may be necessary to qualify the Section 423 Plan as an employee stock purchase plan pursuant to Section 423 of the Code or to comply with any applicable law, regulation or rule. In addition, an amendment to the Plan must be approved by the stockholders of the Company within twelve (12) months of the adoption of such amendment if such amendment would authorize the sale of more shares than are then authorized for issuance under the Plan or would change the definition of the corporations that may be designated by the Committee as Participating Companies. Notwithstanding the foregoing, in the event that the Committee determines that continuation of the Plan or an Offering would result in unfavorable financial accounting consequences to the Company, the Committee may, in its discretion and without the consent of any Participant, including with respect to an Offering Period then in progress: (i) terminate the Plan or any Offering Period, (ii) accelerate the Purchase Date of any Offering Period, (iii) reduce the discount or the method of determining the Purchase Price in any Offering Period (*e.g.*, by determining the Purchase Price solely on the basis of the Fair Market Value on the Purchase Date), (iv) reduce the maximum number of shares of Stock that may be purchased in any Offering Period, or (v) take any combination of the foregoing actions.

23. NO REPRESENTATIONS WITH RESPECT TO TAX QUALIFICATION.

Although the Company may endeavor to (a) qualify Purchase Rights for favorable tax treatment under the laws of the United States or jurisdictions outside of the United States (*e.g.*, options granted under Section 423 of the Code) or (b) avoid adverse tax treatment (*e.g.*, under Section 409A of the Code), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, anything to the contrary in this Plan. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on Participants under the Plan.

24. **CHOICE OF LAW.**

Except to the extent governed by applicable federal law, the validity, interpretation, construction and performance of the Plan and each Subscription Agreement shall be governed by the laws of the State of Delaware, without regard to its conflict of law rules.

IN WITNESS WHEREOF, the undersigned Secretary of the Company certifies that the foregoing sets forth the BigCommerce Holdings, Inc. 2020 Employee Stock Purchase Plan as duly adopted by the Board on _____, 2020.

Jeff Mengoli, Secretary

APPENDIX A

Participating Companies in Section 423 Plan

BigCommerce Holdings, Inc.

Participating Companies in Non-423 Plan

APPENDIX B

FORMS OF

ENROLLMENT/CHANGE NOTICE/WITHDRAWAL FORM
AND
SUBSCRIPTION AGREEMENT

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated March 17, 2020 (except for the effects of the reverse stock split described in Note 2, as to which the date is July 28, 2020), in Amendment No. 1 to the Registration Statement (Form S-1 No. 333-239838) and related Prospectus of BigCommerce Holdings, Inc. for the registration of shares of its common stock.

/s/ Ernst & Young LLP

Austin, Texas
July 28, 2020