# FORM S-1

General form of registration statement for all companies including face-amount certificate companies

Filing Date: **2014-11-10**
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## FILER

**Hortonworks, Inc.**
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SIC: **7372** Prepackaged software

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As filed with the Securities and Exchange Commission on November 10, 2014.

Registration No. 333-

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

# FORM S-1
# REGISTRATION STATEMENT
***UNDER***
***THE SECURITIES ACT OF 1933***

# Hortonworks, Inc.
**(Exact name of Registrant as specified in its charter)**

| Delaware | 7372 | 37-1634325 |
|---|---|---|
| (State or other jurisdiction of incorporation or organization) | (Primary Standard Industrial Classification Code Number) | (I.R.S. Employer Identification Number) |

**3460 W. Bayshore Road**
**Palo Alto, California 94303**
**408.916.4121**
**(Address, including zip code, and telephone number, including area code, of Registrant' s principal executive offices)**

**Robert Bearden**
**Chief Executive Officer**
**Hortonworks, Inc.**
**3460 W. Bayshore Road**
**Palo Alto, California 94303**
**408.916.4121**
**(Name, address, including zip code, and telephone number, including area code, of agent for service)**

***Copies to:***

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

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

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

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

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

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, or a smaller reporting company. See the definitions of ‘‘large accelerated filer,’’ ‘‘accelerated filer’’ and ‘‘smaller reporting company’’ in Rule 12b-2 of the Exchange Act. (Check one):

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

**CALCULATION OF REGISTRATION FEE**

| Title of Each Class of Securities to be Registered | Proposed Maximum Aggregate Offering Price(1)(2) | Amount of Registration Fee |
|---|---|---|
| Common Stock, $0.0001 par value per share | $100,000,000 | $11,620 |

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase.

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

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated November 10, 2014.

Shares

# Hortonworks, Inc.

## Common Stock

This is an initial public offering of shares of common stock of Hortonworks, Inc. All of the shares of common stock are being sold by the company.

Prior to this offering, there has been no public market for the common stock. It is currently estimated that the initial public offering price per share will be between $ and $ . Hortonworks intends to list the common stock on the NASDAQ Global Select Market under the symbol "HDP."

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012, and, as such, we may elect to comply with certain reduced public company reporting requirements in future reports after the completion of this offering.

*See "Risk Factors" on page 13 to read about factors you should consider before buying shares of the common stock.*

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.**

| | Per Share | Total |
|---|---|---|
| Initial public offering price | $ | $ |
| Underwriting discount(1) | $ | $ |
| Proceeds, before expenses, to Hortonworks | $ | $ |

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

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from Hortonworks at the initial price to the public less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York on , 2014.

**Goldman, Sachs & Co.** **Credit Suisse** **RBC Capital Markets**

**Pacific Crest Securities** **Wells Fargo Securities** **Blackstone Capital Markets**

Prospectus dated , 2014.

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Neither we nor any of the underwriters have authorized anyone to provide any information or to make any representations other than as contained in this prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and provide no assurance as to the reliability of, any information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

## PROSPECTUS 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 you should consider before investing in our common stock. You should read this entire prospectus carefully, including "Risk Factors" and "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. Unless the context otherwise requires, the terms "Hortonworks," "the company," "we," "us" and "our" in this prospectus refer to Hortonworks, Inc. and its consolidated subsidiaries.*

### Overview

Our mission is to establish Hadoop as the foundational technology of the modern enterprise data architecture.

We seek to advance the market adoption of Hadoop and provide enterprises with a new data management solution that enables them to harness the power of big data to transform their businesses through more effective and efficient management of their valuable data assets. A Hadoop cluster combines commodity servers with local storage and an open source software distribution to create a reliable distributed compute and storage platform for large data sets scalable up to petabytes, or PBs, with thousands of servers or nodes.

Our solution is an enterprise-grade data management platform built on a unique distribution of Apache Hadoop and powered by YARN, the next generation computing and resource management framework. We continuously drive innovation in the Apache community with a mission to further Hadoop's development for enterprises of all types and sizes. Our platform deeply integrates with key data center technologies to support best-of-breed data architectures and enables our customers to collect, store, process and analyze increasing amounts of existing and new data types in a way that augments rather than replaces their existing data center infrastructure.

We employ a differentiated approach in that we are committed to serving the Apache Software Foundation open source ecosystem and to sharing all of our product developments with the open source community. We support the community for open source Hadoop, and employ a large number of core committers to the various Enterprise Grade Hadoop projects. We believe that keeping our business model free from architecture design conflicts that could limit the ultimate success of our customers in leveraging the benefits of Hadoop at scale is a significant competitive advantage. We are recognized as a leader in Hadoop by Forrester Research based on the strengths of our current offering and our strategy.

We were founded in 2011, and during 2012 we launched our Enterprise Grade Hadoop platform, the Hortonworks Data Platform for which we provide support subscriptions and professional services. As of September 30, 2014, we had 233 support subscription customers (which we generally define as an entity with an active support subscription) and 292 total customers, including professional services customers, across a broad array of company sizes and industries. We have entered into contracts to establish strategic relationships with Hewlett-Packard Company, Microsoft Corporation, Rackspace Hosting, Inc., Red Hat, Inc., SAP AG, Teradata Corporation and Yahoo! Inc. focused on tightly integrated development, marketing and support strategies to maximize the success of our solutions. Consistent with our open source approach, we generally make the Hortonworks Data Platform available free of charge and derive the predominant amount of our revenue from customer fees from support subscription offerings and professional services.

We have achieved significant growth in recent periods. For the years ended April 30, 2012 and 2013, our revenue was $1.6 million and $11.0 million, respectively. For the eight months ended December 31, 2012 and 2013, our revenue was $4.8 million and $17.9 million, respectively. For the nine months ended September 30, 2013 and 2014, our revenue was $15.9 million and $33.4 million, respectively. For the twelve months ended September 30, 2014, our revenue was $41.5 million. For the years ended April 30, 2012 and 2013, our gross billings were $11.8 million and $17.6 million, respectively. Effective May 1, 2013, we changed our fiscal year end from April 30 to December 31. For the eight months ended December 31, 2012 and 2013, our gross billings were $9.7 million and $29.1 million, respectively. For the nine months ended September 30, 2013 and 2014, our gross billings were $24.4 million and $53.2 million, respectively. For the twelve months ended September 30, 2014, our gross billings were $65.7 million. See "–Key Metric–Gross Billings" for an explanation of gross billings, a reconciliation of gross billings to total revenue, the most directly comparable GAAP financial measure, and an explanation of why management uses this non-GAAP financial measure. We experienced net losses of $11.5 million and $36.6 million for the years ended April 30, 2012 and 2013, respectively, $19.7 million and $46.2 million for the eight months ended December 31, 2012 and 2013, respectively, $48.4 million and $86.7 million for the nine months ended September 30, 2013 and 2014, respectively, and $101.5 million for the twelve months ended September 30, 2014. See "Selected Consolidated Financial Data–Key Metric – Gross Billings" for more information and a reconciliation of gross billings to total revenue.

## Industry Background

Major technology innovations such as social media, mobile and cloud computing, new web-based applications, such as Software-as-a-Service, or SaaS, and the Internet of Things, in which devices with sensors and actuators transmit increasing amounts of data automatically, have created an always-on, constantly connected society that is putting increasing pressure on enterprise data center infrastructure. The increase in volume, velocity and variety of data is creating significant challenges to enterprise data management resources and is disrupting the way enterprises design their data infrastructure.

Enterprises are not only inundated with increasing amounts of data but also struggle with managing more types of data that are less easily managed by traditional data center architectures. Historically, enterprises focused primarily on managing data from dedicated and disparate data center systems and were able to utilize relational database management systems optimized for analyzing preselected, structured data stored within isolated silos.

The variety of data, including new unstructured data types such as clickstream data, geo-location data, sensor and machine data, sentiment data, server log data and other data generated by emails, documents and other file types, is fueling the exponential growth in the aggregate amount of data that has the potential to be captured and managed by the enterprise to drive business value. The higher volume, velocity and variety of context-rich data have historically not been captured, managed or analyzed by the enterprise.

As a result of the limitations of traditional data center architectures, enterprises are seeking new technologies to collect, store and access this data in a cost-effective manner, and to gain more actionable insight from their increasingly complex and growing data stores. Enterprises need to upgrade their data center architectures to enable themselves to bring large volumes of data under management and to process and analyze multiple types of data in innovative ways.

Hadoop was originally developed in the early 2000s. Partnering with the Apache Hadoop community, Yahoo! led major innovations in the technology to help tackle big data challenges and operate its business at scale. The traditional Hadoop offering (i.e., Hadoop Version 1.x) is largely a batch system that enables users to manage data at scale, but requires siloed computing clusters by

application with pre-selected data sets, thus limiting accessibility, interoperability and overall value. Incremental attempts to improve traditional Hadoop focused on bolting on data warehousing and analytics functionality as well as basic levels of security and operations management. This innovation demonstrated the early promise of Hadoop in enabling enterprises to address their big data requirements, but traditional Hadoop still lacks the breadth of functionality and resiliency that would enable it to be deployed more broadly by enterprises in production use cases.

To improve on this early functionality, Hortonworks engineers created the initial architecture for YARN and developed the technology for it within the Apache Hadoop community, leading to the release of YARN in October 2013. This technology advancement transformed Hadoop (i.e., Hadoop Version 2.x) into a platform that allows for multiple ways of interacting with data, including interactive structured query language, or SQL, processing, real-time processing and online data processing, along with its traditional batch data processing. YARN eliminates the need to silo data sets and enables a single cluster to store a wide range of shared data sets on which mixed workloads can simultaneously process with predictable service levels. YARN is designed to serve as a common data operating system that enables the Hadoop ecosystem to natively integrate applications and leverage existing technologies and skills while extending consistent security, governance and operations across the platform. With these capabilities, YARN can facilitate mainstream Hadoop adoption by enterprises of all types and sizes for production use cases at scale.

**Our Opportunity**

Enterprises are facing an increasing need to adopt big data strategies that will help them modernize their data center architectures, control costs and transform their businesses to succeed in an increasingly digital world. Inherent in this shift is a move from the post-transaction, reactive analysis of subsets of data to a new model of pre-transaction, interactive insights across a comprehensive and integrated dataset. We believe that enterprises that successfully adopt a big data strategy will succeed, whereas enterprises that fail to implement a modern data architecture will struggle to sustain competitive advantages.

We believe that an enterprise-grade Hadoop solution must meet certain requirements to create and accelerate widespread market adoption and enable the modern data center architecture. We refer to this set of requirements as Enterprise Grade Hadoop, and believe they include:

- capability to centrally manage new and existing data types;
- ability to run multiple applications on a common data architecture;
- high availability and enterprise-grade security, management and governance;
- interoperability with new and existing data center infrastructure investments;
- stability and dependability;
- scalability and affordability;
- predictive and real-time analytic capability; and
- deployment flexibility.

We believe that only with a platform that addresses each of these needs will enterprises be able to transform their businesses by adopting a modern data architecture that solves their increasing data management requirements. Enterprise Grade Hadoop is fundamental to this architectural shift and can turn what was traditionally viewed as a cost center into a revenue generator by enabling new business applications that harness the power of big data. According to Allied Market Research, the global Hadoop market spanning hardware, software and services is expected to grow from $2.0 billion in 2013 to $50.2 billion by 2020, representing a compound annual growth rate, or CAGR, of 58%.

**Our Solution**

We are a leading provider and distributor of an enterprise-grade Hadoop solution that is enabling a re-platforming of data center architectures to harness the power of big data for the enterprise. We provide support subscription offerings and related professional services around the Hortonworks Data Platform, which is our open source software distribution of Apache Hadoop. We developed the Hortonworks Data Platform to address the limitations of traditional Hadoop. The Hortonworks Data Platform provides the following benefits:

**Maximizes data access to drive business transformation**. Our solution integrates all data types into "data lakes" that allow our customers to increase the scope and quality of their data management. Our solution breaks down traditional data silos and allows enterprises to store and process their data in native formats and enables the combination of multiple context-rich data types.

**Common data operating system that powers big data applications.** The Hortonworks Data Platform leverages the benefits of YARN to create a common data operating system that natively integrates with Hadoop. Our solution also enables new and existing applications to integrate seamlessly with Hadoop.

**Purpose-built for the enterprise**. We engineer and certify Apache Hadoop with a focus on extending traditional Hadoop with the robust capabilities required by the enterprise such as high availability, governance, security, provisioning, management and performance monitoring.

**Rigorously tested and hardened for deployment at scale**. Our strategic relationships with leading cloud scale companies enable us to test and harden our platform in the most demanding production environments, assuring high quality and resilient releases at scale. We deliver value to support subscription customers by reducing implementation risk, accelerating time-to-value and helping these customers scale more rapidly.

**Enables best-of-breed data center architectures**. We designed our data management platform to be fully open and integrate with new and existing investments in data center infrastructure. Our solution is designed to work with new big data technologies that are complementary to Hadoop.

**Compelling return on investment**. Our solution enables our customers to modernize their data architectures while leveraging existing investments and increased use of commodity hardware. For example, the annual cost of managing a raw terabyte, or TB, of data with our platform and commodity hardware can be 10 to 100 times less expensive than using high-end storage arrays.

**Real-time, predictive and interactive analytics**. Our solution enables our customers to move from post-transaction, reactive analysis of subsets of data stored in silos to a world of pre-transaction, interactive insights across all data with the potential to enhance competitive advantages and transform businesses.

**Superior deployment flexibility**. Our focus on deep integration with existing data center technologies enables the leaders in the data center to easily adapt and extend their platforms. We are differentiated in our ability to natively support deployments across Linux, Windows, hardware appliances and public and private cloud platforms.

We are committed to serving the Apache Software Foundation open source ecosystem and to sharing all of our product developments with the open source community. We support the community for open source Hadoop, and employ a large number of core committers to the various Enterprise

Grade Hadoop projects. This commitment allows us to drive the innovation of Hadoop' s core open source technology, define a roadmap for the future, ensure predictable and reliable enterprise quality releases and provide comprehensive, enterprise-class support.

**Our Strategy**

We intend to grow our business by focusing on the following strategies:

- continue to innovate and extend Hadoop' s enterprise data platform capabilities;
- establish Hadoop as the industry standard for the modern enterprise data architecture and Hortonworks as the trusted Enterprise Grade Hadoop provider;
- continue to support and foster growth in the Hadoop ecosystem;
- focus on renewing and extending existing customer deployments;
- grow our sales force directly and indirectly through our reseller and original equipment manufacturer, or OEM, partners;
- grow our customer base across new vertical markets and geographies;
- pursue selective acquisitions to further enhance and build out the critical components of the Hortonworks Data Platform; and
- continue international expansion.

**Risks Affecting Us**

Our business is subject to numerous risks and uncertainties, including those highlighted in "Risk Factors" immediately following this prospectus summary. These risks include, but are not limited to, the following:

- We have a history of losses, and we may not become profitable in the future.
- We have a limited operating history, which makes it difficult to predict our future results of operations.
- We do not have an adequate history with our support subscription offerings or pricing models to accurately predict the long-term rate of support subscription customer renewals or adoption, or the impact these renewals and adoption will have on our revenues or results of operations.
- Because we derive substantially all of our revenues and cash flows from supporting the Hortonworks Data Platform and services and training related to it, failure of these offerings to satisfy customer requirements or to achieve increased market acceptance would harm our business, results of operations, financial condition and growth prospects.
- Our success is highly dependent on our ability to penetrate the existing market for open source distributed data platforms as well as the growth and expansion of the market for open source distributed data platforms.
- If we are unable to maintain successful relationships with our partners, our business, results of operations and financial condition could be harmed.
- If we are unable to effectively compete, our business and operating results could be harmed.
- The competitive position of the Hortonworks Data Platform depends in part on its ability to operate with third-party products and services, including those of our partners, and, if we are

not successful in maintaining and expanding the compatibility of the Hortonworks Data Platform with such products and services, our business will suffer.

If open source software programmers, many of whom we do not employ, do not continue to develop and enhance open source technologies, we may be unable to develop new technologies, adequately enhance our existing technologies or meet customer requirements for innovation, quality and price.

Our subscription-based business model may encounter customer resistance or we may experience a decline in the demand for our offerings.

## Corporate Information

We were incorporated in Delaware in April 2011. Our principal executive offices are located at 3460 W. Bayshore Road, Palo Alto, California 94303, and our telephone number is (408) 916-4121. Our website address is *www.hortonworks.com*. Information contained on or that can be accessed through our website does not constitute part of this prospectus and inclusions of our website address in this prospectus are inactive textual references only.

"Hortonworks" is our registered trademark in the United States and in certain other jurisdictions. "Hadoop" is a registered trademark of the Apache Software Foundation. Other trademarks and trade names referred to in this prospectus are the property of their respective owners.

## Implications of Being an Emerging Growth Company

As a company with less than $1.0 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise applicable generally to public companies. These provisions include:

a requirement to have only two years of audited financial statements and only two years of related management' s discussion and analysis;

an exemption from compliance with the auditor attestation requirement on the effectiveness of our internal control over financial reporting;

an exemption from compliance with any requirement that the Public Company Accounting Oversight Board may adopt 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 about our executive compensation arrangements; and

exemptions from the requirements to obtain a non-binding advisory vote on executive compensation or stockholder approval of any golden parachute arrangements.

We will remain an emerging growth company until the earliest to occur of: the last day of the fiscal year in which we have more than $1.0 billion in annual revenue; the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; the issuance, in any three-year period, by us of more than $1.0 billion in non-convertible debt securities; and the last day of the fiscal year ending after the fifth anniversary of this offering. We may choose to take advantage of some, but not all, of the available benefits under the JOBS Act. We are choosing to irrevocably "opt out" of the extended transition periods available under the JOBS Act for complying with new or revised accounting standards, but we intend to take advantage of the other exemptions discussed above. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

**THE OFFERING**

| | |
|---|---|
| Common stock offered by us | shares |
| Common stock to be outstanding after this offering | shares |
| Option to purchase additional shares from us | We have granted the underwriters an option, exercisable for 30 days after the date of this prospectus, to purchase up to an additional shares from us. |
| Use of proceeds | We estimate that the net proceeds from the sale of shares of our common stock that we are selling in this offering will be approximately $ million (or approximately $ million if the underwriters' option to purchase additional shares in this offering is exercised in full), based upon an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.<br><br>We intend to use the net proceeds of this offering for working capital or other general corporate purposes, including funding our growth strategies discussed in this prospectus. These uses include the expansion of our sales organization, international expansion, further development of the Hortonworks Data Platform and general and administrative matters. We may also use a portion of the net proceeds to acquire complementary businesses, products, services, technologies or other assets.<br><br>See "Use of Proceeds" for additional information. |
| Concentration of Ownership | Upon completion of this offering, our executive officers and directors, and their affiliates, will beneficially own, in the aggregate, approximately % of our outstanding shares of common stock. |
| Proposed NASDAQ Global Select Market trading symbol | "HDP" |

The number of shares of our common stock that will be outstanding after this offering is based on 69,762,019 shares outstanding as of September 30, 2014, including the conversion into common stock of 43,899,075 shares of preferred stock upon the completion of this offering, and excludes:

- 27,481,340 shares of our common stock issuable upon the exercise of options to purchase common stock that were outstanding as of September 30, 2014, with a weighted average

exercise price of $3.70 per share (which excludes 5,187,290 restricted shares issued under the 2011 Stock Option and Grant Plan);

675,000 shares of our common stock issuable upon the exercise of options to purchase common stock granted after September 30, 2014, with a weighted average exercise price of $9.88 per share;

12,000,000 shares of our common stock reserved for future issuance under our 2014 Stock Option and Incentive Plan, which will become effective upon completion of this offering, which contains provisions that automatically increase its share reserve each year and includes shares of common stock that were reserved under our 2011 Stock Option and Grant Plan;

5,000,000 shares of our common stock reserved for issuance under our 2014 Employee Stock Purchase Plan, which will become effective upon the completion of this offering and contains provisions that automatically increase its share reserve each year;

6,500,000 shares of our common stock issuable upon the exercise of a warrant to purchase shares of our Series A preferred stock outstanding as of September 30, 2014, with an exercise price of $0.005 per share that will be exercisable for common stock upon the completion of this offering; and

952,736 shares of our common stock, subject to further adjustment in the event that we sell any additional shares of Series D preferred stock or warrants to purchase Series D preferred stock prior to the completion of this offering or other liquidation event, issuable upon the exercise of a warrant to purchase shares of our common stock with an exercise price of $4.23 per share.

Except as otherwise indicated, all information in this prospectus assumes:

the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 43,899,075 shares of our common stock, the conversion of which will occur upon the completion of this offering;

the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the completion of this offering; and

no exercise by the underwriters of their option to purchase up to an additional shares of our common stock from us in this offering.

## SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables summarize our historical financial data. Commencing with the fiscal year ended December 31, 2013, we changed our fiscal year end from April 30 to December 31. We have derived the summary consolidated statement of operations data for the years ended April 30, 2012 and 2013 and the eight months ended December 31, 2013 from our audited consolidated financial statements included elsewhere in this prospectus. We have derived the summary consolidated statement of operations data for the nine months ended September 30, 2013 and 2014 and the eight months ended December 31, 2012 and the summary consolidated balance sheet data as of September 30, 2014 from our unaudited interim and comparative transition period consolidated financial statements included elsewhere in this prospectus. The unaudited interim and comparative transition period consolidated financial statements reflect, in the opinion of management, all adjustments of a normal, recurring nature that are necessary for the fair presentation of the consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future, and the results for the nine months ended September 30, 2014 are not necessarily indicative of results to be expected for the full year or any other period. The following summary consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | (In thousands, except share and per share amounts) | | | | | |
| **Consolidated Statement of Operations Data:** | | | | | | |
| Support subscription | $1,276 | $7,739 | $3,643 | $11,415 | $10,212 | $19,190 |
| Professional services | 370 | 3,259 | 1,135 | 6,450 | 5,726 | 14,198 |
| Total support subscription and professional services revenue(1) | 1,646 | 10,998 | 4,778 | 17,865 | 15,938 | 33,388 |
| Cost of revenue: | | | | | | |
| Cost of support subscription | 421 | 5,071 | 2,880 | 3,720 | 4,995 | 2,875 |
| Cost of professional services | 974 | 5,862 | 3,053 | 9,990 | 8,493 | 19,125 |
| Total cost of revenue(2) | 1,395 | 10,933 | 5,933 | 13,710 | 13,488 | 22,000 |
| Gross profit (loss) | 251 | 65 | (1,155) | 4,155 | 2,450 | 11,388 |
| Operating expenses:(2) | | | | | | |
| Sales and marketing | 2,589 | 17,187 | 8,403 | 21,357 | 21,584 | 44,553 |
| Research and development | 6,881 | 12,070 | 6,768 | 14,621 | 13,752 | 26,270 |
| General and administrative | 2,384 | 7,598 | 3,487 | 14,368 | 15,583 | 17,634 |
| Contribution of acquired technology to the Apache Software Foundation | – | – | – | – | – | 3,971 |
| Total operating expenses | 11,854 | 36,855 | 18,658 | 50,346 | 50,919 | 92,428 |
| Loss from operations | (11,603) | (36,790) | (19,813) | (46,191) | (48,469) | (81,040) |
| Interest and other income | 84 | 215 | 159 | 152 | 159 | 381 |
| Other expense | (1) | (52) | (49) | (129) | (56) | (7,269) |
| Loss before income tax expense (benefit) | (11,520) | (36,627) | (19,703) | (46,168) | (48,366) | (87,928) |
| Income tax expense (benefit) | 1 | 11 | 8 | 45 | 34 | (1,196) |
| Net loss | $(11,521) | $(36,638) | $(19,711) | $(46,213) | $(48,400) | $(86,732) |
| Net loss per share of common stock, basic and diluted(3) | $(37.15) | $(15.14) | $(8.48) | $(9.09) | $(14.37) | $(10.40) |
| Weighted average shares used in computing net loss per share of common stock, basic and diluted(3) | 310,105 | 2,419,502 | 2,323,761 | 5,083,600 | 3,368,335 | 8,336,102 |
| Pro forma net loss per share of common stock, basic and diluted(4) | | $(1.34) | | $(1.31) | | $(1.86) |
| Weighted average shares used in computing pro forma net loss per share of common stock, basic and diluted(4) | | 27,302,310 | | 35,278,181 | | 46,719,827 |

(1) Total support subscription and professional services revenue for the eight months ended December 31, 2013 and nine months ended September 30, 2014 includes contra-revenue adjustments recognized for equity securities issued to an affiliate of AT&T, which is a customer, as follows:

| | Eight Months Ended December 31, 2013 | Nine Months Ended September 30, 2014 | Twelve Months Ended September 30, 2014 |
|---|---|---|---|
| Gross support and subscription and professional services revenue: | | | |
| Support subscription | $ 11,782 | $ 21,151 | $ 26,768 |
| Professional services | 6,465 | 14,277 | 17,188 |
| Total support subscription and professional services revenue | 18,247 | 35,428 | 43,956 |
| Contra-support subscription and professional services revenue: | | | |
| Support subscription | (367) | (1,961) | (2,328) |
| Professional services | (15) | (79) | (93) |
| Total contra-support subscription and professional services revenue | (382) | (2,040) | (2,421) |
| Net support subscription and professional services revenue: | | | |
| Support subscription | 11,415 | 19,190 | 24,440 |
| Professional services | 6,450 | 14,198 | 17,095 |
| Total net support subscription and professional services revenue | $ 17,865 | $ 33,388 | $ 41,535 |

(2) Stock-based compensation was allocated as follows:

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| Cost of revenue | $ 14 | $ 45 | $ 44 | $ 132 | $ 83 | $ 320 |
| Research and development | 140 | 244 | 140 | 468 | 327 | 1,146 |
| Sales and marketing | 18 | 234 | 110 | 321 | 270 | 978 |
| General and administrative | 150 | 239 | 122 | 406 | 342 | 3,048 |
| Total stock-based compensation | $ 322 | $ 762 | $ 416 | $ 1,327 | $ 1,022 | $ 5,492 |

(3) See Note 11 to our consolidated financial statements for an explanation of the method used to calculate basic and diluted net loss per share attributable to common stockholders and the weighted average number of shares used in the computation of the per share amounts.

(4) See Note 12 to our consolidated financial statements for an explanation of the method used to calculate pro forma basic and diluted net loss per share attributable to common stockholders and the weighted average number of shares used in the computation of the per share amounts.

| | As of September 30, 2014 | | |
|---|---|---|---|
| | Actual | Pro Forma(1) (In thousands) | Pro Forma as Adjusted(2) |
| **Consolidated Balance Sheet Data:** | | | |
| Cash and cash equivalents and short-term investments | $111,614 | $111,614 | $ |
| Working capital | 90,470 | 90,470 | |
| Property and equipment, net | 2,201 | 2,201 | |
| Total assets | 160,335 | 160,335 | |
| Deferred revenue | 47,720 | 47,720 | |
| Additional paid-in capital | 13,946 | 266,556 | |
| Accumulated deficit | (181,104) | (181,104 ) | |
| Total stockholders' equity (deficit) | (167,322) | 85,292 | |

(1) The pro forma column in the consolidated balance sheet data table above reflects the automatic conversion of all outstanding shares of our convertible preferred stock as of September 30, 2014 into an aggregate of 43,899,075 shares of our common stock which conversion will occur upon the completion of this offering, as if such conversion had occurred on September 30, 2014.

(2) The pro forma as adjusted column in the consolidated balance sheet table above gives effect to the pro forma adjustments set forth in footnote 1 above and the sale and issuance by us of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering 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. The pro forma as adjusted information set forth above is illustrative only and does not take into consideration the impact of capitalized offering costs. We capitalized $ of our offering costs as of , 2014 in connection with the preparation of the registration statement of which this prospectus forms a part, of which $ remained unpaid as of , 2014.

The pro forma as adjusted information presented in the consolidated balance sheet data 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 or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, each of our pro forma as adjusted cash and cash equivalents and short-term investments, working capital, total assets, additional paid-in capital and total stockholders' equity (deficit) by approximately $ , 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. An increase or decrease by one million shares in the number of shares offered by us would increase or decrease, as applicable, the amount of our pro forma as adjusted cash and cash equivalents and short-term investments, working capital, total assets, additional paid-in capital and total stockholders' equity (deficit) by approximately $ , assuming that the initial public offering price of $ per share, remains the same and after deducting estimated underwriting discounts and commissions.

**Yahoo! Preferred Stock Warrant**

In July 2011, we issued a warrant to purchase 6,500,000 shares of Series A preferred stock at an exercise price of $0.005 per share to Yahoo!, a related party. Upon consummation of the offering, the warrant will be exercisable for common stock and the fair value of the warrant will be recognized as a reduction in revenue up to the cumulative amount of revenue recognized to date from Yahoo!, which was approximately $3.3 million as of September 30, 2014, and any excess of such fair value over such cumulative revenue will be recognized in cost of sales, in the quarter in which the offering is consummated. The reduction in revenue and increase in cost of sales resulting from vesting of the warrant is estimated at $ million in the aggregate (comprised of $ million as a reduction in revenue and $ million as an increase in cost of sales), assuming that the offering had been consummated on September 30, 2014, based on an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and would result in an increase of $ in additional paid-in capital and a net increase of $ million in accumulated deficit. See "Management's Discussion and Analysis of Financial Condition and Results of Operations–Overview." The warrant will not have an impact on our revenue or expenses in periods subsequent to the period in which this offering is consummated.

**Key Metric – Gross Billings**

We have included gross billings, a non-GAAP financial measure, in this prospectus because it is a key measure used by our board of directors and management to monitor our near term cash flows and manage our business. Gross billings is calculated as total revenue plus the change in deferred revenue for the same period. As we have not yet established vendor-specific objective evidence of fair value for our support subscriptions, we recognize revenue ratably over the period beginning when both the support subscription and professional services have commenced for customers with agreements that purchase both a support subscription and professional services. Most of our customer agreements include both support subscription and professional services. The accounting treatment for such agreements causes our revenue to trail the impact of these customer agreements and creates significant deferred revenue balances.

We have provided a reconciliation between total revenue, the most directly comparable GAAP financial measure, and gross billings in the table below. Accordingly, we believe gross billings provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our board of directors and management.

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | | Twelve Months Ended September 30, |
|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 | 2014 |
| | | | | (in thousands) | | | |
| **Gross billings:** | | | | | | | |
| Total revenue | $1,646 | $10,998 | $4,778 | $17,865 | $15,938 | $33,388 | $ 41,535 |
| Total deferred revenue, end of period | 10,148 | 16,730 | 15,096 | 27,928 | 23,573 | 47,720 | 47,720 |
| Less: Total deferred revenue, beginning of period | – | (10,148) | (10,148) | (16,730) | (15,096) | (27,928) | (23,573) |
| Total change in deferred revenue | 10,148 | 6,582 | 4,948 | 11,198 | 8,477 | 19,792 | 24,147 |
| **Gross billings** | $11,794 | $17,580 | $9,726 | $29,063 | $24,415 | $53,180 | $ 65,682 |

## RISK FACTORS

*Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, before making a decision to invest in our common stock. If any of the risks actually occur, our business, financial condition, results of operations and prospects could be harmed. In that event, the trading price of our common stock could decline, and you could lose part or all of your investment.*

### Risks Related to Our Business

***We have a history of losses, and we may not become profitable in the future.***

We have incurred net losses in each year since our inception, including net losses of $11.5 million in the year ended April 30, 2012, $36.6 million in the year ended April 30, 2013 and $46.2 million in the eight months ended December 30, 2013. As a result, we had an accumulated deficit of $181.1 million at September 30, 2014. These losses and our accumulated deficit will be further increased as a result of the accounting for the Yahoo! preferred stock warrant described in "Prospectus Summary–Yahoo! Preferred Stock Warrant." Because the market for our solution is rapidly evolving and has not yet reached widespread adoption, it is difficult for us to predict our future results of operations. We may not achieve sufficient revenue to attain and maintain profitability. We expect our operating expenses to increase over the next several years as we hire additional personnel, particularly in sales and marketing, expand and improve the effectiveness of our distribution channels, and continue to invest in the development of the Hortonworks Data Platform. In addition, as we grow and as we become a newly public company, we will incur additional significant legal, accounting and other expenses that we did not incur as a private company. As a result of these increased expenses, we will have to generate and sustain increased revenue to be profitable in future periods. Any failure by us to sustain or increase profitability on a consistent basis could cause the value of our common stock to decline.

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

We were incorporated in 2011 and introduced our first solution in 2012. As a result of our limited operating history, our ability to 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. Our historical revenue growth has been inconsistent, has benefited from transactions with related parties and should not be considered indicative of our future performance. Further, in future periods, our revenue growth could slow or our revenues could decline for a number of reasons, including slowing demand for our support subscription offerings and our professional services, increasing competition, a decrease in the growth of our overall market, or our failure, for any reason, to continue to capitalize on growth opportunities. We have also encountered and will encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. If our assumptions regarding these risks and uncertainties and our future revenue growth (each of which we use to plan our business) are incorrect or change, 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.

***We do not have an adequate history with our support subscription offerings or pricing models to accurately predict the long-term rate of support subscription customer renewals or adoption, or the impact these renewals and adoption will have on our revenues or results of operations.***

We have limited experience with respect to determining the optimal prices for our support subscription offerings. As the market for open source distributed data platforms matures, or as new

competitors introduce new products or services that compete with ours, we may be unable to attract new support subscription customers at the same price or based on the same pricing model as we have used historically. Moreover, large support subscription customers, which are the focus of our sales efforts, may demand greater price concessions. As a result, in the future we may be required to reduce our prices, which could harm our revenues, gross margins, financial position and cash flows. Furthermore, while the terms of our support subscription agreements limit the number of supported nodes or the size of supported data sets, such limitations may be improperly circumvented or otherwise bypassed by certain users.

We expect to derive a significant portion of our revenue from renewals of existing support subscription agreements. As a result, achieving a high renewal rate of our support subscription agreements will be critical to our business. Our support subscription customers have no obligation to renew their support subscriptions after the expiration of the initial subscription period, and may renew for fewer elements of our support subscription offerings or on different pricing terms. We have limited historical data with respect to rates of support subscription customer renewals, and to date, the majority of our support subscription agreements have not reached the end of their original term, so we cannot accurately predict support subscription customer renewal rates. Our support subscription customers' renewal rates may decline or fluctuate as a result of a number of factors, including their dissatisfaction with our pricing or the Hortonworks Data Platform and their ability to continue their operations and spending levels. If our support subscription customers do not renew their support subscriptions on similar pricing terms, our revenues may decline and our business could suffer. In addition, over time the average term of our contracts could change based on renewal rates or for other reasons.

***Because we derive substantially all of our revenues and cash flows from supporting the Hortonworks Data Platform and services and training related to it, failure of these offerings to satisfy customer requirements or to achieve increased market acceptance would harm our business, results of operations, financial condition and growth prospects.***

We derive and expect to continue to derive substantially all of our revenues and cash flows from customer fees for support subscription offerings and professional services in support of the Hortonworks Data Platform. As such, the market acceptance of the Hortonworks Data Platform is critical to our continued success. Demand for the Hortonworks Data Platform is affected by a number of factors beyond our control, including market acceptance of open source distributed data platforms by referenceable accounts for existing and new use cases, the continued enhancement of the Hortonworks Data Platform to incorporate features and functionality desired by our support subscription customers, the timing of development and release of new products by our competitors, technological change and growth or contraction in our market. We expect the proliferation of unstructured data to lead to an increase in the data storage and processing demands of our customers, and the Hortonworks Data Platform may not be able to perform to meet those demands. If we are unable to continue to meet support subscription customer requirements or to achieve more widespread market acceptance of the Hortonworks Data Platform, our business, results of operations, financial condition and growth prospects will be harmed.

***Our success is highly dependent on our ability to penetrate the existing market for open source distributed data platforms as well as the growth and expansion of the market for open source distributed data platforms.***

The market for Hadoop and open source distributed data platforms is relatively new, rapidly evolving and unproven. Our future success will depend in large part on Hadoop' s ability to penetrate the existing market for open source distributed data platforms, as well as the continued growth and expansion of the market for open source distributed data platforms. It is difficult to predict support subscription customer adoption and renewal rates, support subscription customer demand for our

offerings, the size, growth rate and expansion of these markets, the entry of competitive products or the success of existing competitive products. Our ability to penetrate the existing market and any expansion of the market depends on a number of factors, including the cost, performance and perceived value associated with our offerings, as well as support subscription customers' willingness to adopt an alternative approach to data storage and processing. Furthermore, many potential support subscription customers have made significant investments in legacy data storage and processing software and may be unwilling to invest in new solutions. If the market for open source distributed data platforms fails to grow or expand or decreases in size, our business would be harmed.

***If we are unable to maintain successful relationships with our partners, our business, results of operations and financial condition could be harmed.***

In addition to our direct sales force and our website, we use strategic partners, such as distribution partners and resellers, to sell our support subscription offerings and our professional services. We expect that sales through partners will continue to grow as a proportion of our revenues for the foreseeable future.

Our agreements with our partners are generally non-exclusive, meaning our partners may offer customers the products and services of several different companies, including products and services that compete with ours, or may themselves be or become competitors. If our partners do not effectively market and sell our support subscription offerings and our professional services, choose to use greater efforts to market and sell their own products and services or those of our competitors, or fail to meet the needs of our customers, our ability to grow our business and sell our support subscription offerings and our professional services may be harmed. Our partners may cease marketing our support subscription offerings or professional services with limited or no notice and with little or no penalty. The loss of a substantial number of our partners, our possible inability to replace them, or the failure to recruit additional partners could harm our results of operations.

Our ability to achieve revenue growth in the future will depend in part on our success in maintaining successful relationships with our partners, and in helping our partners enhance their ability to independently sell our support subscription offerings and our professional services. If we are unable to maintain our relationships with these partners, or otherwise develop and expand our indirect distribution channel, our business, results of operations, financial condition or cash flows could be harmed.

***If we are unable to effectively compete, our business and operating results could be harmed.***

We face substantial competition from Hadoop distribution vendors such as Cloudera and MapR Technologies, as well as enterprise software and infrastructure vendors that offer Hadoop distributions such as IBM Corporation, Oracle Corporation and Pivotal Software, Inc. Further, other established system providers not currently focused on Hadoop, including traditional data warehouse solution providers such as Teradata Corporation, SAP SE and EMC Corporation, or open source distributed data platform providers, including non-relational NoSQL database providers such as MongoDB Inc. and DataStax, Inc., may expand their products and services to compete with us. Additionally, some potential customers may elect to implement and support Hadoop deployments internally. Some of the companies that compete with us, or that may compete with us in the future, have greater name recognition, substantially greater financial, technical, marketing and other resources, the ability to devote greater resources to the promotion, sale and support of their solutions, more extensive customer bases and broader customer relationships and longer operating histories than we have.

We expect competition to increase as other companies continue to evolve their offerings and as new companies enter our market. Increased competition is likely to result in pricing pressures on our support subscription offerings and our professional services, which could negatively impact our gross

margins. If we are unable to effectively compete, our revenue could decline and our business, operating results and financial condition could be adversely affected.

***The competitive position of the Hortonworks Data Platform depends in part on its ability to operate with third-party products and services, including those of our partners, and, if we are not successful in maintaining and expanding the compatibility of the Hortonworks Data Platform with such products and services, our business will suffer.***

The competitive position of the Hortonworks Data Platform depends in part on its ability to operate with products and services of third parties, including software companies that offer applications designed for various business intelligence applications, software services and infrastructure, and it must be continuously modified and enhanced to adapt to changes in hardware, software, networking, browser and database technologies. In the future, one or more technology companies, whether our partners or otherwise, may choose not to support the operation of their software, software services and infrastructure with the Hortonworks Data Platform, or the Hortonworks Data Platform may not support the capabilities needed to operate with such software, software services and infrastructure. In addition, to the extent that a third party were to develop software or services that compete with ours, that provider may choose not to support the Hortonworks Data Platform. We intend to facilitate the compatibility of the Hortonworks Data Platform with various third-party software, software services and infrastructure offerings by maintaining and expanding our business and technical relationships. If we are not successful in achieving this goal, our business, financial condition and results of operations may suffer.

***If open source software programmers, many of whom we do not employ, do not continue to develop and enhance open source technologies, we may be unable to develop new technologies, adequately enhance our existing technologies or meet customer requirements for innovation, quality and price.***

We rely to a significant degree on a number of independent open source software programmers, or Hadoop committers and contributors, to develop and enhance Apache Hadoop and its related technologies. Additionally, members of the corresponding Apache Software Foundation Project Management Committees, many of whom are not employed by us, are primarily responsible for the oversight and evolution of the codebases of Hadoop and its related technologies. If the Hadoop committers and contributors fail to adequately further develop and enhance open source technologies, or if the Project Management Committees fail to oversee and guide the evolution of Hadoop-related technologies in the manner that we believe is appropriate to maximize the market potential of our offerings, then we would have to rely on other parties, or we would need to expend additional resources, to develop and enhance our offerings. We cannot predict whether further developments and enhancements to these technologies would be available from reliable alternative sources. In either event, our development expenses could be increased and our technology release and upgrade schedules could be delayed. Delays in developing, completing or delivering new or enhanced offerings could cause our offerings to be less competitive, impair customer acceptance of our offerings and result in delayed or reduced revenue for our offerings.

***Our subscription-based business model may encounter customer resistance or we may experience a decline in the demand for our offerings.***

We provide our support subscription offerings under annual or multi-year subscriptions. A support subscription generally entitles a support subscription customer to a specified scope of support, as well as security updates, fixes, functionality enhancements and upgrades to the technology and new versions of the software, if and when available, and compatibility with an ecosystem of certified hardware and software applications. We may encounter support subscription customer resistance to this distribution model or support subscription customers may fail to honor the terms of our support

subscription agreements. To the extent we are unsuccessful in promoting or defending this distribution model, our business, financial condition, results of operations and cash flows could be harmed.

Demand for our offerings may fluctuate based on numerous factors, including the spending levels and growth of our current and prospective support subscription customers, and general economic conditions. In addition, our support subscription customers generally undertake a significant evaluation process that may result in a prolonged sales cycle. We spend substantial time, effort and money on our sales efforts, including developing and implementing appropriate go-to-market strategies and training our sales force and ecosystem partners in order to effectively market new solutions, without any assurance that our efforts will produce any sales. The purchase of our offerings may be discretionary and can involve significant expenditures. If our current and prospective support subscription customers cut costs, then they may significantly reduce their enterprise software expenditures.

As technologies and the markets for our offerings change, our subscription-based business model may no longer meet the needs of our support subscription customers. Consequently, we may need to develop new and appropriate marketing and pricing strategies for our solutions. If we are unable to adapt our business model to changes in the marketplace or if demand for our solutions declines, our business, financial condition, results of operations and cash flows could be harmed.

***If we are unable to expand sales to existing customers, our growth could be slower than we expect and our business and results of operations may be harmed.***

Our future growth depends in part upon expanding sales of our support subscription offerings and our professional services to our existing customers. If our existing customers do not purchase additional support subscription offerings and professional services, our revenues may grow more slowly than expected, may not grow at all or may decline. Additionally, increasing incremental sales to our current customer base requires increasingly sophisticated and costly sales efforts. There can be no assurance that our efforts will result in increased sales to existing customers and additional revenues. If our efforts to expand sales to our existing customers are not successful, our business and operating results would be harmed.

***Revenue from our largest customers has accounted for a significant percentage of our revenues, and the loss of one or more of our significant customers would harm our business.***

A significant portion of our revenue has been concentrated among a relatively small number of large customers. For example, Microsoft Corporation historically accounted for 55.3% of our total revenue for the year ended April 30, 2013, 37.8% of our total revenue for the eight months ended December 31, 2013 and 22.4% of our total revenue for the nine months ended September 30, 2014. The revenue from our three largest customers as a group accounted for 71.0% of our total revenue for the year ended April 30, 2013, 50.5% of our total revenue for the eight months ended December 31, 2013 and 37.4% of our total revenue for the nine months ended September 30, 2014. While we expect that the revenue from our largest customers will decrease over time as a percentage of our total revenue as we generate more revenue from other customers, we expect that revenue from a relatively small group of customers will continue to account for a significant portion of our revenue, at least in the near term. Our customer agreements generally do not contain long-term commitments from our customers, and our customers may be able to terminate their agreements with us prior to expiration of the term. For example, the current term of our agreement with Microsoft expires in July 2015, and automatically renews thereafter for two successive twelve-month periods unless terminated earlier. The agreement may be terminated by Microsoft prior to the end of its term. Accordingly, the agreement with Microsoft may not continue for any specific period of time.

We may not be able to continue our relationships with any of our largest customers on the same or more favorable terms in future periods or our relationships may not continue beyond the terms of our

existing contracts with them. Our revenue and operating results would suffer if, among other things, any of our largest customers were to renegotiate, terminate, renew on less favorable terms or fail to renew their agreements with us.

***Our future results of operations may fluctuate significantly, and our recent results of operations may not be a good indication of our future performance.***

Our revenue and results of operations could vary significantly from period to period as a result of various factors, many of which are outside of our control. At the beginning of each quarter, we do not know the number of support subscriptions that we will enter into during the quarter. In addition, the contract value of our support subscriptions varies substantially among customers, and a single, large support subscription in a given period could distort our results of operations. Comparing our revenue and results of operations on a period-to-period basis may not be meaningful, and you should not rely on our past results as an indication of our future performance.

We may not be able to accurately predict our future revenue or results of operations on a quarterly or longer-term basis. We base our current and future expense levels on our operating plans and sales forecasts, and our operating costs are expected to be relatively fixed in the short-term. As a result, we may not be able to reduce our costs sufficiently to compensate for an unexpected shortfall in revenue, and even a small shortfall in revenue in a quarter could harm our financial results for that quarter and cause our financial results to fall short of analyst expectations, which could cause the market price of our common stock to decline substantially.

In addition to other risk factors described in this "Risk Factors" section, factors that may cause our results of operations to fluctuate from quarter to quarter include:

- the timing of new customer contracts for support subscription offerings and professional services, and the extent to which we earn additional revenue from existing customers as they expand their deployment of the Hortonworks Data Platform;
- the renewal rates of our customers;
- changes in the competitive dynamics of our market;
- customers delaying purchasing decisions in anticipation of new software or software enhancements;
- the timing of satisfying revenue recognition criteria and our ability to obtain vendor-specific objective evidence of fair value, or VSOE, for our support subscription offerings;
- our ability to control costs, including our operating expenses;
- the proportion of revenue attributable to larger transactions as opposed to smaller transactions and the impact that a change in such proportion may have on the overall average selling price of our support subscription offerings;
- the proportion of revenue attributable to support subscription offerings and professional services, which may impact our gross margins and operating income;
- the reduction or elimination of support of the Apache Hadoop Project by the Apache Software Foundation, migration of Hadoop technology to an organization other than the Apache Software Foundation, or any other actions taken by the Apache Software Foundation or the Apache Hadoop Project that may impact our business model;
- changes in customers' budgets and in the timing of their purchasing decisions;
- the collectability of receivables from customers and resellers, which may be hindered or delayed if these customers or resellers experience financial distress; and

general economic conditions, both domestically and internationally, as well as economic conditions specifically affecting industries in which our customers participate.

Many of these factors are outside of our control, and the variability and unpredictability of such factors could result in our failing to meet or exceed our financial expectations for a given period. We believe that quarter-to-quarter comparisons of our revenue, results of operations and cash flows may not necessarily be indicative of our future performance.

***Our sales cycle is long and unpredictable, particularly with respect to large support subscription customers, and our sales efforts require considerable time and expense.***

Our results of operations may fluctuate, in part, because of the resource-intensive nature of our sales efforts, the length and variability of the sales cycle of our support subscription offerings and the difficulty in making short-term adjustments to our operating expenses. Our results of operations depend in part on sales to large support subscription customers and increasing sales to existing customers. The length of our sales cycle, from initial evaluation to payment for our support subscription offerings is generally six to nine months, but can vary substantially from customer to customer. Our sales cycle can extend to more than a year for some customers. It is difficult to predict exactly when, or even if, we will make a sale to a potential customer or if we can increase sales to our existing customers. As a result, large individual sales have, in some cases, occurred in quarters subsequent to those we anticipated, or have not occurred at all. The loss or delay of one or more large transactions in a quarter could impact our results of operations for that quarter and any future quarters for which revenue from that transaction is lost or delayed. As a result of these factors, it is difficult for us to forecast our revenues accurately in any quarter. Because a substantial proportion of our expenses are relatively fixed in the short term, our results of operations will suffer if revenue falls below our expectations in a particular quarter, which could cause the price of our common stock to decline.

***We have experienced rapid growth in recent periods. If we fail to manage our growth effectively, we may be unable to execute our business plan or maintain high levels of service and our financial results could be negatively impacted.***

We have increased our number of full-time employees from 171 at December 31, 2012 to 524 at September 30, 2014 and have increased our revenue from $4.8 million in the eight months ended December 31, 2012 to $17.9 million in the eight months ended December 31, 2013. Our recent growth and expansion has placed, and our anticipated growth may continue to place, a significant strain on our managerial, administrative, operational, financial and other resources. We intend to continue to expand our overall business, customer base, headcount and operations. Continued growth increases the challenges involved in:

- recruiting, training and retaining sufficient skilled technical, marketing, sales and management personnel;
- preserving our culture, values and entrepreneurial environment;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, compliance, recordkeeping, communications and other internal systems;
- managing our international operations and the risks associated therewith;
- maintaining high levels of satisfaction with our solutions among our customers; and
- effectively managing expenses related to any future growth.

If we fail to manage our growth effectively, our business, results of operations and financial condition could suffer.

***Our future success depends in large part on the growth of the market for big data applications, and an increase in the desire to store and process big data, and we cannot be sure that the market for big data applications will grow as expected or, even if such growth occurs, that our business will grow at similar rates, or at all.***

Our ability to increase the adoption of the Hortonworks Data Platform, increase sales of support subscription offerings and professional services, and grow our business depends on the increased adoption of big data applications by enterprises. While we believe that big data applications can offer a compelling value proposition to many enterprises, the broad adoption of big data applications also presents challenges to enterprises, including developing the internal expertise and infrastructure to manage big data applications effectively, coordinating multiple data sources, defining a big data strategy that delivers an appropriate return on investment and implementing an information technology infrastructure and architecture that enables the efficient deployment of big data solutions. Accordingly, our expectations regarding the potential for future growth in the market for big data applications, and the third-party growth estimates for this market in this prospectus, are subject to significant uncertainty. If the market for big data applications does not grow as expected, our business prospects may be adversely affected. Even if the market for big data applications increases, we cannot be sure that our business will grow at a similar rate, or at all.

***Because of the characteristics of open source software, there are few technological barriers to entry into the open source market by new competitors and it may be relatively easy for competitors, some of which may have greater resources than we have, to enter our markets and compete with us.***

One of the characteristics of open source software is that anyone may modify and redistribute the existing open source software and use it to compete in the marketplace. Such competition can develop without the degree of overhead and lead time required by traditional proprietary software companies. It is possible for competitors with greater resources than ours to develop their own open source software, including software based on one or more components of Hadoop or the Hortonworks Data Platform, potentially reducing the demand for our solutions and putting price pressure on our support subscription offerings and our professional services. We cannot guarantee that we will be able to compete successfully against current and future competitors or that competitive pressure or the availability of new open source software will not result in price reductions, reduced operating margins and loss of market share, any one of which could harm our business, financial condition, results of operations and cash flows.

***Our software development and licensing model could be negatively impacted if the Apache License, Version 2.0 is not enforceable or is modified so as to become incompatible with other open source licenses.***

The Hortonworks Data Platform has been provided under the Apache License 2.0. This license states that any work of authorship licensed under it, and any derivative work thereof, may be reproduced and distributed provided that certain conditions are met. It is possible that a court would hold this license to be unenforceable or that someone could assert a claim for proprietary rights in a program developed and distributed under it. Any ruling by a court that this license is not enforceable, or that open source components of the Hortonworks Data Platform may not be reproduced or distributed, may negatively impact our distribution or development of all or a portion of the Hortonworks Data Platform. In addition, at some time in the future it is possible that Apache Hadoop may be distributed under a different license or the Apache License 2.0 may be modified, which could, among other consequences, negatively impact our continuing development or distribution of the software code subject to the new or modified license. Further, full utilization of the Hortonworks Data Platform may depend on applications and services from various third parties, and in the future these applications or services may not be available to our customers on commercially reasonable terms, or at all, which could harm our business.

***We do not currently have vendor-specific objective evidence of fair value for support subscription offerings, and we may offer certain contractual provisions to our customers that result in delayed recognition of revenue under GAAP, which could cause our results of operations to fluctuate significantly from period-to-period in ways that do not correlate with our underlying business performance.***

In the course of our selling efforts, we typically enter into sales arrangements pursuant to which we provide support subscription offerings and professional services. We refer to each individual product or service as an "element" of the overall sales arrangement. These arrangements typically require us to deliver particular elements in a future period. We apply software revenue recognition rules under U.S. generally accepted accounting principles, or GAAP. In certain cases, when we enter into more than one contract with a single customer, the group of contracts may be so closely related that they are viewed under GAAP as one multiple-element arrangement for purposes of determining the appropriate amount and timing of revenue recognition. As we discuss further in "Management's Discussion and Analysis of Financial Condition and Results of Operations–Critical Accounting Policies and Estimates–Revenue Recognition," because we do not have VSOE for our support subscription offerings, and because we may offer certain contractual provisions to our customers, such as delivery of support subscription offerings and professional services, or specified functionality, or because multiple contracts signed in different periods may be viewed as giving rise to multiple elements of a single arrangement, we may be required under GAAP to defer revenue to future periods. Typically, for arrangements providing for support subscription offerings and professional services, we have recognized as revenue the entire arrangement fee ratably over the subscription period, although the appropriate timing of revenue recognition must be evaluated on an arrangement-by-arrangement basis and may differ from arrangement to arrangement. If we are unexpectedly required to defer revenue to future periods for a significant portion of our sales, our revenue for a particular period could fall below our expectations or those of securities analysts and investors, resulting in a decline in our stock price.

***Because we recognize revenue from subscriptions for our services over the term of the subscription, downturns or upturns in sales may not be immediately reflected in our results of operations.***

We generally recognize subscription revenue from support subscription customers ratably over the term of their subscription agreements, which are generally 12 months, with some support subscription customers having subscription agreements with longer terms. As a result, much of the revenue we report in each quarter is deferred revenue from subscription agreements entered into during previous quarters. Consequently, a decline in the value of new support subscription agreements entered in any one quarter will not necessarily be fully reflected in the revenue we record in that quarter and will harm our revenue in future quarters. In addition, we may be unable to adjust our cost structure to reflect this reduced revenue. Accordingly, the effect of significant downturns in sales and market acceptance of our services may not be fully reflected in our results of operations until future periods. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new support subscription customers must be recognized over the applicable subscription term.

***Any failure to offer high-quality support subscription offerings may harm our relationships with our support subscription customers and results of operations.***

Once the Hortonworks Data Platform is deployed, our support subscription customers depend on our software support organization to resolve technical issues relating to the deployment. We may be unable to respond quickly enough to accommodate short-term increases in support subscription customer demand for support subscription offerings. We also may be unable to modify the format of our support subscription offerings to compete with changes in offerings provided by our competitors. Increased support subscription customer demand for our support subscription offerings, without

corresponding revenues, could increase costs and harm our results of operations. In addition, our sales process is highly dependent on our business reputation and on positive recommendations from our existing support subscription customers. Any failure to maintain high-quality support subscription offerings, or a market perception that we do not maintain high-quality support subscription offerings, could harm our reputation, our ability to sell our support subscription offerings to existing and prospective support subscription customers and our results of operations.

***If we fail to comply with our customer contracts, our business could be harmed.***

Any failure by us to comply with the specific provisions in our customer contracts could result in the imposition of various penalties, which may include termination of contracts, forfeiture of profits and suspension of payments. Further, any negative publicity related to our customer contracts or any proceedings surrounding them, regardless of its accuracy, may damage our business and affect our ability to compete for new contracts. If our customer contracts are terminated, or if our ability to compete for new contracts is adversely affected, our business, financial condition, results of operations and cash flows could be harmed.

***The Hortonworks Data Platform may contain defects that may be costly to correct, delay market acceptance of our solutions and expose us to claims and litigation.***

Despite our testing procedures, errors, including security vulnerabilities or incompatibilities with third-party software and hardware, have been and may continue to be found in the Hortonworks Data Platform after deployment. This risk is increased by the fact that much of the code in the Hortonworks Data Platform is developed by independent parties over whom we may not exercise supervision or control. If errors are discovered, we may have to make significant expenditures of capital and devote significant technical resources to analyze, correct, eliminate or manage them, and we may not be able to successfully do so in a timely manner, or at all. Errors and failures in the Hortonworks Data Platform could result in a loss of, or delay in, market acceptance of our enterprise technologies, loss of existing or potential customers and delayed or lost revenue and could damage our reputation and our ability to convince enterprise users of the benefits of the Hortonworks Data Platform.

In addition, errors in the Hortonworks Data Platform could cause system failures, loss of data or other adverse effects for our customers who may assert warranty and other claims for substantial damages against us. Although our agreements with our customers often contain provisions that seek to limit our exposure to such claims, it is possible that these provisions may not be effective or enforceable under the laws of some jurisdictions. While we seek to insure against these types of claims, our insurance policies may not adequately limit our exposure to such claims. These claims, even if unsuccessful, could be costly and time consuming to defend and could harm our business, financial condition, results of operations and cash flows.

***Incorrect or improper implementation or use of the Hortonworks Data Platform could result in customer dissatisfaction and harm our business, results of operations, financial condition and growth prospects.***

The Hortonworks Data Platform is deployed in a wide variety of technology environments, including in large-scale, complex technology environments, and we believe our future success will depend at least in part on our ability to support such deployments. Hadoop itself is technically very complicated, and it is not easy to maximize the value of the Hortonworks Data Platform without proper implementation and training. We often must assist our customers in achieving successful implementations for large, complex deployments. If our customers are unable to implement the Hortonworks Data Platform successfully, or in a timely manner, customer perceptions of our company and the Hortonworks Data Platform may be impaired, our reputation and brand may suffer, and

customers may choose not to renew their subscriptions or increase their purchases of our support subscription offerings or professional services.

Our customers and partners may need training in the proper use of and the variety of benefits that can be derived from the Hortonworks Data Platform to maximize its potential. The Hortonworks Data Platform may perform inadequately if it is not implemented or used correctly or as intended. The incorrect or improper implementation or use of the Hortonworks Data Platform, our failure to train customers on how to efficiently and effectively use the Hortonworks Data Platform, or our failure to provide effective support subscription offerings or professional services to our customers, may result in negative publicity or legal claims against us. Also, as we continue to expand our customer base, any failure by us to properly provide these services will likely result in lost opportunities for follow-on sales of our support subscription offerings and professional services.

***Interruptions or performance problems associated with our technology and infrastructure may harm our business and results of operations.***

Our website and internal technology infrastructure may experience performance issues due to a variety of factors, including infrastructure changes, human or software errors, website or third-party hosting disruptions or capacity constraints due to a number of potential causes, including technical failures, natural disasters or fraud or security attacks. If our security is compromised, our website is unavailable or our users are unable to download the Hortonworks Data Platform or order support subscription offerings or professional services within a reasonable amount of time or at all, our business could be harmed. We expect to continue to make significant investments to maintain and improve website performance and to enable rapid releases of new features and applications for the Hortonworks Data Platform. To the extent that we do not effectively upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and results of operations may be harmed.

In addition, we rely on SaaS technologies from third parties in order to operate critical functions of our business, including financial management services from NetSuite Inc., customer relationship management services from salesforce.com, Inc. and lead generation management services from Marketo, Inc. If these services become unavailable due to extended outages or interruptions or because they are no longer available on commercially reasonable terms or prices, our expenses could increase, our ability to manage our finances could be interrupted, our processes for managing sales of our support subscription offerings and professional services and supporting our customers could be impaired, and our ability to generate and manage sales leads could be weakened until equivalent services, if available, are identified, obtained and implemented, all of which could harm our business and results of operations.

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

Our success depends largely upon the continued services of our executive officers and other key employees, including many Hadoop committers. We rely on our leadership team in the areas of research and development, operations, security, marketing, sales, support and general and administrative functions, and on individual contributors in our research and development. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. The loss of one or more of our key employees or executive officers could harm our business.

In addition, to execute our growth plan, we must attract and retain highly qualified personnel. Competition for such personnel in the San Francisco Bay Area, where our headquarters is located, and in other locations where we maintain offices, is intense, especially for engineers experienced in designing and developing software and Apache Hadoop applications and experienced sales professionals. The Apache Hadoop Project relies on Hadoop committers for the project' s technical management. While we currently employ a large number of Hadoop core committers and innovators, one becomes a committer by invitation only. As a result, the market to hire such individuals is very competitive. If our employees who are Hadoop core committers terminate their employment with us, we could lose our ability to innovate the core open source technology, define the roadmap for the future of Hadoop, distribute predictable and reliable enterprise quality releases, and provide comprehensive support to our customers. We have, from time to time, experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached legal obligations, resulting in a diversion of our time and resources. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, it may harm our ability to recruit and retain highly skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be harmed.

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

We continue to be substantially dependent on our sales force to obtain new customers and to drive additional use cases among our existing customers. We believe that there is significant competition for sales personnel, including enterprise sales representatives and sales engineers, with the skills and technical knowledge that we require. In particular, there is significant demand for sales engineers with Hadoop expertise. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of sales personnel to support our growth. New hires require significant training and may take significant time before they achieve full productivity. Our recent hires and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. In addition, as we continue to grow rapidly, a large percentage of our sales force will have relatively little experience working with us, our support subscription offerings and our business model. If we are unable to hire and train sufficient numbers of effective sales personnel, or our sales personnel are not successful in obtaining new customers or increasing sales to our existing customer base, our business will be harmed.

***If we are not successful in expanding our international business, we may incur additional losses and our revenue growth could be harmed.***

Our future results depend, in part, on our ability to expand into international markets. We also have a number of distributor and reseller relationships for our support subscription offerings and professional services in international markets. Our ability to expand internationally will depend upon our ability to deliver functionality and foreign language translations that reflect the needs of the international clients that we target. Our ability to expand internationally involves various risks, including the need to invest significant resources in such expansion, and the possibility that returns on such investments will not be achieved in the near future or at all in these less familiar competitive environments. We may also choose to conduct our international business through strategic alliances. If we are unable to identify strategic alliance partners or negotiate favorable alliance terms, our international growth may be harmed. In addition, we have incurred and may continue to incur

significant expenses in advance of generating material revenues as we attempt to establish our presence in particular international markets.

Expanding our business internationally will also require significant attention from our management and will require us to add additional management and other resources in these markets. Our ability to expand our business, attract talented employees and enter into strategic alliances in an increasing number of international markets requires considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute systems, regulatory systems, commercial infrastructures and technology infrastructure. If we are unable to grow our international operations in a timely manner, we may incur additional losses and our revenue growth could be harmed.

***As we expand internationally, our business will become more susceptible to risks associated with international operations.***

We principally sell our offerings through sales personnel in the United States, France, Germany, India, the Netherlands and the United Kingdom and currently have operations in the United States and in London, United Kingdom. We also have a development team in Kiev, Ukraine and a number of distributor and reseller relationships for our support subscription offerings and our professional services in other international markets. Conducting international operations subjects us to risks that we have not generally faced in the United States. These risks include:

- fluctuations in currency exchange rates;
- unexpected changes in foreign regulatory requirements;
- potentially different pricing environments and longer sales cycles;
- difficulties in managing the staffing of international operations;
- potentially adverse tax consequences, including the complexities of foreign value-added tax systems, restrictions on the repatriation of earnings and changes in tax rates;
- dependence on strategic alliance partners to increase client acquisition;
- the burdens of complying with a wide variety of foreign laws and different legal standards;
- increased financial accounting and reporting burdens and complexities;
- political, social and economic instability abroad, particularly with our development team in Ukraine;
- laws and business practices favoring local competitors;
- terrorist attacks and security concerns in general; and
- reduced or varied protection for intellectual property rights in some countries.

The occurrence of any one of these risks could harm our international business and, consequently, our results of operations. Additionally, operating in international markets requires significant management attention and financial resources. We cannot be certain that the investment and additional resources required to operate in other countries will produce desired levels of revenue or profitability.

***We have made strategic acquisitions in the past and intend to do so in the future. If we are unable to find suitable acquisitions or partners, or to achieve expected benefits from such acquisitions or partnerships, our business, financial condition, results of operations and prospects could be harmed.***

As part of our ongoing business strategy to expand our suite of solutions and acquire new technology, from time to time we engage in discussions with third parties regarding, and enter into agreements relating to, possible acquisitions, strategic alliances and joint ventures. In May 2014, we acquired new technology, know-how and solutions through our acquisition of XA Secure, a data security company. There may be significant competition for acquisition targets in our industry, or we may not be able to identify suitable acquisition candidates, negotiate attractive terms for acquisitions or complete acquisitions on expected timelines, or at all. If we are unable to complete strategic acquisitions or do not realize the expected benefits of the acquisitions we do complete, our business, financial condition, results of operations and prospects could be harmed.

Even if we are able to complete acquisitions or enter into alliances and joint ventures that we believe will be successful, such transactions are inherently risky. Significant risks associated with these transactions, include:

failing to achieve anticipated synergies, including with respect to complementary software or services;

losing key employees of the acquired businesses;

integration and restructuring costs, both one-time and ongoing;

maintaining sufficient controls, policies and procedures;

diversion of management' s attention from ongoing business operations;

establishing new informational, operational and financial systems to meet the needs of our business;

our inability to maintain the key business relationships and the reputations of the businesses we acquire;

uncertainty of entry into markets in which we have limited or no prior experience and in which competitors have stronger market positions;

our dependence on unfamiliar affiliates and partners of the companies we acquire;

insufficient revenue to offset our increased expenses associated with acquisitions;

potentially incurring accounting charges as we transition an acquired company to our open-source business model;

our responsibility for the liabilities of the businesses we acquire; and

unanticipated and unknown liabilities.

If we are not successful in completing acquisitions in the future or do not realize the expected benefits of the acquisitions we do complete, we may be required to reevaluate our acquisition strategy. We also may incur substantial expenses and devote significant management time and resources in seeking to complete acquisitions, some of which may ultimately not be consummated or not result in expected benefits. The occurrence of any of these acquisition-related risks could harm our business, financial condition, results of operations and prospects.

***Our continued success depends on our ability to maintain and enhance strong brands.***

We believe that the brand identities that we have developed have contributed significantly to the success of our business. We also believe that maintaining and enhancing our brands is important to

expanding our customer base and attracting talented employees. In order to maintain and enhance our brands, we may be required to make further investments that may not be successful. Maintaining our brands will depend in part on our ability to remain a leader in open source technology and our ability to continue to provide high-quality offerings. If we fail to promote and maintain our brands, or if we incur excessive costs in doing so, our business, financial condition, results of operations and cash flows may be harmed.

***Our efforts to protect our intellectual property rights may not be adequate to prevent third parties from misappropriating our intellectual property rights in our know-how, software and trademarks.***

We have developed proprietary methodologies, know-how and software related to software development, testing and quality assurance. Failure to adequately protect and defend our intellectual property rights in these areas may diminish the value of the Hortonworks Data Platform, impair our ability to compete effectively and harm our business.

In addition, the protective steps we have taken in the past may be inadequate to protect and deter misappropriation of our trademark rights. We may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our trademark rights in a timely manner. We have registered trademarks in the United States and the European Community and have trademark applications pending in Canada. Effective trademark protection may not be available in every country in which we offer or intend to distribute our solutions. We may be unable to prevent third parties from acquiring domain names that are similar to, infringe upon, or diminish the value of our trademarks and other proprietary rights. Failure to adequately protect our trademark rights could damage or even destroy one or more of our brands and impair our ability to compete effectively. Furthermore, defending or enforcing our trademark rights could result in the expenditure of significant financial and managerial resources.

***We may be subject to intellectual property rights claims by third parties, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies.***

Companies in the software and technology industries, including some of our current and potential competitors, own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. In addition, many of these companies can dedicate substantially greater resources to enforce their intellectual property rights, and to defend claims that may be brought against them, than we can. We have received, and we and the Apache Hadoop Project may in the future receive, notices that claim we have misappropriated, misused, or infringed other parties' intellectual property rights, and, to the extent Hadoop gains greater market visibility, we and the Apache Hadoop Project face a higher risk of being the subject of intellectual property infringement claims.

Any intellectual property infringement claims, with or without merit, could be very time-consuming, could be expensive to settle or litigate and could divert our management' s attention and other resources. These claims could also subject us to significant liability for damages, potentially including treble damages if we are found to have willfully infringed patents or copyrights. These claims could also result in our having to stop using technology found to be in violation of a third party' s rights. We might be required to seek a license for the intellectual property, which may not be available on reasonable terms or at all. Even if a license were available, we could be required to pay significant royalties, which would increase our operating expenses. As a result, we may be required to develop alternative non-infringing technology, which could require significant effort and expense. Any of these results would harm our business, results of operations, financial condition and cash flows.

***Federal, state, foreign government and industry regulations, as well as self-regulation related to privacy and data security concerns pose the threat of lawsuits and other liability.***

We do not generally collect and utilize demographic and other information, including personally identifiable information, from and about users (such as customers, potential customers, and others). Users may, however, provide personal information to us in many contexts such as when signing up for certain services, registering for seminars, participating in a survey, connecting with other users and Hadoop experts in our forums, participating in Hortonworks University classes, participating in polls or signing up to receive e-mail newsletters.

Within the United States, various federal and state laws and regulations govern the collection, use, retention, sharing and security of the data we receive from and about users. Outside of the United States, various jurisdictions actively regulate and enforce laws regarding the collection, retention, transfer and use (including loss and unauthorized access) of personal information. Privacy advocates and government bodies have increasingly scrutinized the ways in which companies link personal identities and data associated with particular users or devices with data collected through the internet, and we expect such scrutiny to continue to increase. Loss, retention or misuse of certain information and alleged violations of laws and regulations relating to privacy and data security, and any relevant claims, may expose us to potential liability and may require us to expend significant resources on data security and in responding to and defending such allegations and claims.

***Security and privacy breaches may hurt our business.***

Any security breach, unauthorized access, unauthorized usage, virus or similar breach or disruption could result in the loss of confidential information, damage to our reputation, early termination of our contracts, litigation, regulatory investigations or other liabilities. If our, our customers' or our partners' security measures are breached as a result of third-party action, employee error, malfeasance or otherwise and, as a result, someone obtains unauthorized access to data, our reputation will be damaged, our business may suffer and we could incur significant liability.

Techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target. As a result, we may be unable to anticipate these techniques or to implement adequate preventative measures. If an actual or perceived security breach occurs, the market perception of our security measures could be harmed and we could lose sales and customers. Any significant violations of data privacy could result in the loss of business, litigation and regulatory investigations and penalties that could damage our reputation and adversely impact our results of operations and financial condition. Moreover, if a high-profile security breach occurs with respect to another Hadoop provider, our customers and potential customers may lose trust in the security of Hadoop-based solutions generally, which could adversely impact our ability to retain existing customers or attract new ones.

***Prolonged economic uncertainties or downturns could harm our business.***

Current or future economic downturns could harm our business and results of operations. Negative conditions in the general economy both in the United States and abroad, including conditions resulting from financial and credit market fluctuations and terrorist attacks in the United States, Europe or elsewhere, could cause a decrease in corporate spending on enterprise software in general and slow down the rate of growth of our business.

General worldwide economic conditions have experienced, and in the future may experience, a significant downturn. These conditions make it extremely difficult for our customers and us to forecast and plan future business activities accurately, and they could cause our customers to reevaluate their decision to purchase our offerings, which could delay and lengthen our sales cycles or result in

cancellations of planned purchases. Furthermore, during challenging economic times our customers may face issues in gaining timely access to sufficient credit, which could impair their ability to make timely payments to us. If that were to occur, we may be required to increase our allowance for doubtful accounts, which would harm our results of operations.

We have a significant number of customers in the business services, advertising, financial services, healthcare and pharmaceuticals, high technology, manufacturing, media and entertainment, oil and gas, online services, retail and telecommunications industries. A substantial downturn in any of these industries may cause firms to react to worsening conditions by reducing their capital expenditures in general or by specifically reducing their spending on information technology. Customers in these industries may delay or cancel information technology projects or seek to lower their costs by renegotiating vendor contracts. To the extent purchases of our offerings are perceived by customers and potential customers to be discretionary, our revenues may be disproportionately affected by delays or reductions in general information technology spending. Also, support subscription customers may choose to develop or utilize in-house support capabilities as an alternative to purchasing our support subscription offerings or professional services. Moreover, competitors may respond to market conditions by lowering prices of support subscription offerings. In addition, the increased pace of consolidation in certain industries may result in reduced overall spending on our support subscription offerings or professional 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 industries in which we operate worsen from present levels, our business, results of operations, financial condition and cash flows could be harmed.

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

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

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

Under GAAP, we review our amortizable intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually. Factors that may be considered a change in circumstances indicating that the carrying value of our goodwill or amortizable intangible assets may not be recoverable include a decline in stock price and market capitalization, reduced future cash flow estimates and slower growth rates in our industry. We may be required to record a significant charge to

earnings in our financial statements during the period in which any impairment of our goodwill or amortizable intangible assets is determined, which could harm our results of operations.

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

As of December 31, 2013, we had federal and state net operating loss carryforwards, or NOLs, of $46.3 million and $47.9 million, respectively, due to prior period losses. In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an ‘‘ownership change’’ is subject to limitations on its ability to utilize its NOLs to offset future taxable income. Our existing NOLs may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change in connection with or after this offering, our ability to utilize NOLs could be further limited by Section 382 of the Code. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. There is also a risk that, due to regulatory changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs, whether or not we attain profitability.

***We have business and customer relationships with certain entities who are stockholders or affiliated with our directors, or both, and conflicts of interest may arise because of such relationships.***

Some of our customers and other business partners are affiliated with certain of our directors or hold shares of our capital stock, or both. For example, we have entered into strategic partnerships and/or customer relationships with Yahoo! Inc., Red Hat, Inc., Teradata Corporation and Hewlett-Packard Company. Our directors Jay Rossiter, Paul Cormier and Martin Fink are employees of Yahoo! Inc., Red Hat, Inc. and Hewlett-Packard Company, respectively, and each of Yahoo! Inc., Hewlett-Packard Company and Teradata Corporation are stockholders. We believe that the transactions and agreements that we have entered into with related parties are on terms that are at least as favorable as could reasonably have been obtained at such time from third parties. However, these relationships could create, or appear to create, potential conflicts of interest when our board of directors is faced with decisions that could have different implications for us and these other parties or their affiliates. In addition, conflicts of interest may arise between us and these other parties and their affiliates. The appearance of conflicts, even if such conflicts do not materialize, might adversely affect the public’ s perception of us, as well as our relationship with other companies and our ability to enter into new relationships in the future, including with competitors of such related parties, which could harm our business and results of operations.

***Catastrophic events may disrupt our business.***

Our corporate headquarters are located in Palo Alto, California and we utilize data centers that are located in North America. Additionally, we rely on our network and third-party infrastructure and enterprise applications, internal technology systems and our website for our development, marketing, operational support, hosted services and sales activities. The west coast of the United States contains active earthquake zones. In the event of a major earthquake, hurricane, or catastrophic event such as fire, power loss, telecommunications failure, cyber-attack, war, or terrorist attack, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our application development, extended interruptions in the Hortonworks Data Platform, breaches of data security and loss of critical data, all of which could harm our future results of operations.

## Risks Related to Ownership of Our Common Stock and this Offering

***Our stock price may be volatile or may decline regardless of our operating performance resulting in substantial losses for investors purchasing shares in this offering.***

The trading price of our common stock is likely to be volatile and could fluctuate widely regardless of our operating performance. The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our results of operations;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- ratings changes by any securities analysts who follow our company;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- price and volume fluctuations in the overall stock market from time to time, including as a result of trends in the economy as a whole;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- developments or disputes concerning our intellectual property or our offerings, or third-party proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws, or regulations applicable to our business;
- any major change in our board of directors or management;
- sales of shares of our common stock by us or our stockholders;
- lawsuits threatened or filed against us; and
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events.

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

***There has been no prior market for our common stock and an active market may not develop or be sustained and investors may not be able to resell their shares at or above the initial public offering price.***

There has been no public market for our common stock prior to this offering. The initial public offering price for our common stock was determined through negotiations between the underwriters and us and may vary from the market price of our common stock following this offering. If you purchase shares of our common stock in this offering, you may not be able to resell those shares at or above the initial public offering price, if at all. An active or liquid market in our common stock may not develop following this offering or, if it does develop, it may not be sustainable.

***Our directors, officers and principal stockholders beneficially own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.***

As of October 15, 2014, our directors, officers, five percent or greater stockholders, and their respective affiliates beneficially owned in the aggregate approximately 68.7% of our outstanding voting stock and, upon the completion of this offering, that same group will beneficially own in the aggregate approximately % of our outstanding voting stock (assuming no exercise of the underwriters' option to purchase additional shares). These stockholders may be able to determine all matters requiring stockholder approval. For example, these stockholders will be able to control elections of directors, amendments of our organizational documents, and approval of any merger, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders.

***Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.***

Provisions in our certificate of incorporation and bylaws, as amended and restated in connection with this offering, may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and bylaws include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights and preferences determined by our board of directors that may be senior to our common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the Chair of our board of directors, or our Chief Executive Officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, Class I, Class II and Class III, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed only for cause;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; and

require the approval of our board of directors or the holders of at least seventy-five percent (75%) of our outstanding shares of capital stock to amend our bylaws and certain provisions of our certificate of incorporation.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder. Any delay or prevention of a change of control transaction or changes in our management could cause the market price of our common stock to decline.

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

We are an "emerging growth company," as defined in the federal securities laws, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. For as long as we continue to be an emerging growth company, we intend to take advantage of certain of these exemptions. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of an extended transition period for complying with new or revised accounting standards. However, we chose to "opt out" of such extended transition period, and as a result, we will comply with new or revised accounting standards on the relevant dates adoption of such standards is required for non-emerging growth companies. Our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

We will remain an "emerging growth company" until the earliest of: (i) the last day of the fiscal year following the five-year anniversary of the completion of this offering; (ii) the end of the fiscal year in which we have more than $1.0 billion in annual revenue; (iii) the end of the fiscal year in which we qualify as a "large accelerated filer", with at least $700 million of equity securities held by non-affiliates as of the end of the second quarter of such fiscal year; and (iv) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities.

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

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of the exchanges and other markets upon which our common stock is listed, and other applicable securities rules and regulations.

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

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

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

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

***We may invest or spend the proceeds of this offering in ways with which you may not agree or in ways which may not yield a return.***

Our management will have considerable discretion in the application of the net proceeds of this offering, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds of this offering are being used appropriately. The net proceeds of this offering may be used for corporate purposes that do not increase the value of our business, which could cause our stock price to decline.

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

We have never declared or paid any cash dividends on our common stock. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business, and do not anticipate declaring or paying any cash dividends for the foreseeable future. Any return to stockholders will therefore be limited to the increase, if any, of our stock price, which may never occur.

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

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

***Substantial future sales of our common stock in the public market could cause our stock price to fall.***

Additional sales of our common stock in the public market after this offering, or the perception that these sales could occur, could cause the market price of our common stock to decline. Upon completion of this offering, we will have shares of common stock outstanding. All shares sold in this offering will be freely tradeable immediately after this offering (except for shares purchased by affiliates) and the remaining shares of our common stock outstanding immediately after this offering may be sold after expiration of lock-up agreements 180 days after the date of this offering (subject in some cases to volume limitations). In addition, as of September 30, 2014, there were outstanding options and warrants to purchase 34,934,076 shares of our common stock that, if exercised, will result in these additional shares becoming available for sale upon expiration of the lock-up agreements. Sales by these stockholders or option holders of a substantial number of shares after this offering could significantly reduce the market price of our common stock. Moreover, after this offering, some holders of shares of our common stock will have rights, subject to some conditions, to require us to file registration statements covering the shares they currently hold, or to include these shares in registration statements that we might file for ourselves or other stockholders.

We intend to file a registration statement under the Securities Act of 1933, as amended, or the Securities Act, covering shares of our common stock reserved for issuance under our stock plans. This registration statement is expected to be filed soon after the date of this prospectus and will automatically become effective upon filing. Accordingly, shares registered under this registration

statement will be available for sale in the open market, subject to vesting restrictions with us that may apply to certain shares or the lock-up agreements referred to above. If a large number of these shares are sold in the public market, the sales could reduce the trading price of our common stock. See ‘‘Shares Eligible for Future Sale’’ for a more detailed description of sales that may occur in the future.

***Our charter documents designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or other employees.***

Our certificate of incorporation and bylaws, as amended and restated in connection with this offering, provide that, unless we consent 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 (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, or (iv) any action asserting a claim against us governed by the internal affairs doctrine. 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 provisions of our certificate of incorporation described above. This choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find these provisions of our certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could harm our business, financial condition, or results of operations.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our future financial performance, including our revenue, cost of revenue, gross profit or gross margin, operating expenses, ability to generate positive cash flow and ability to achieve and maintain profitability;
- the sufficiency of our cash and cash equivalents to meet our liquidity needs;
- our ability to increase the number of support subscription customers;
- our ability to renew and extend existing customer deployments;
- our ability to optimize the pricing for our support subscription offerings;
- the growth in the usage of the Hadoop framework;
- our ability to innovate and develop the various open source projects that will enhance the capabilities of the Hortonworks Data Platform;
- our ability to provide superior support subscription offerings and professional services;
- our ability to successfully expand in our existing markets and into new domestic and international markets;
- our ability to effectively manage our growth and future expenses;
- our ability to maintain, protect and enhance our intellectual property;
- worldwide economic conditions and their impact on consumer spending;
- our ability to comply with modified or new laws and regulations applying to our business, including copyright and privacy regulation; and
- the attraction and retention of qualified employees and key personnel.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this prospectus.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this prospectus primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in "Risk Factors" and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

## INDUSTRY AND MARKET DATA

This prospectus also contains statistical data, estimates and forecasts that are based on independent industry publications, such as those published by Allied Market Research, Forrester Research, Inc., Gartner, Inc., International Data Corporation and International Data Group, or other publicly available information, as well as other information based on our internal sources. While we are not aware of any misstatements regarding any third-party information presented in this prospectus, third-party estimates, in particular, as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed under "Risk Factors" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those estimates made by third parties and by us.

## USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of shares of our common stock that we are selling in this offering will be approximately $ million, based upon an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares of our common stock from us is exercised in full, we estimate that our net proceeds would be approximately $ million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the net proceeds that we receive from the sale of shares of our common stock in this offering by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions payable by us. Similarly, each increase or decrease of one million shares in the number of shares of our common stock offered by us would increase or decrease, as applicable, the net proceeds that we receive from the sale of shares of our common stock in this offering by approximately $ million, assuming the initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions payable by us.

The principal purposes of this offering are to increase our financial flexibility, create a public market for our common stock, and facilitate our future access to the public equity markets. We currently intend to use the net proceeds that we receive from this offering for working capital or other general corporate purposes including funding our growth strategies discussed in this prospectus. These uses include expansion of our sales organization both directly and indirectly through our reseller and OEM partners, international expansion in North America, Western Europe and other geographies, further development and enhancement of the Hortonworks Data Platform and integration with the Hadoop ecosystem and general and administrative matters, although we do not currently have any specific or preliminary plans with respect to the use of proceeds for such purposes.

We may also use a portion of the net proceeds that we receive to acquire or invest in complementary businesses, products, services, technologies or other assets. We have not entered into any agreements or commitments with respect to any acquisitions or investments at this time.

We cannot specify with certainty the particular uses of the net proceeds that we will receive from this offering. Accordingly, we will have broad discretion in using these proceeds. Pending the use of proceeds from this offering as described above, we plan to invest the net proceeds that we receive in this offering in short-term and intermediate-term interest-bearing obligations, investment-grade investments, certificates of deposit, or direct or guaranteed obligations of the U.S. government.

## DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that our board of directors may deem relevant.

## CAPITALIZATION

The following table sets forth our cash and cash equivalents and short-term investments, as well as our capitalization, as of September 30, 2014 as follows:

- on an actual basis;
- on a pro forma basis, giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 43,899,075 shares of our common stock, which conversion will occur upon the completion of this offering, as if such conversion had occurred on September 30, 2014; and
- on a pro forma as adjusted basis, giving effect to the pro forma adjustments set forth above and the sale and issuance by us of shares of our common stock in this offering, based on an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering 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 pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other final terms of this offering. You should read this table together with our consolidated financial statements and related notes, and "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" that are included elsewhere in this prospectus.

| | As of September 30, 2014 | | |
|---|---|---|---|
| | Actual | Pro Forma | Pro Forma as Adjusted |
| | (In thousands, except share and per share data) | | |
| Cash and cash equivalents and short-term investments | $111,614 | $ 111,614 | $ |
| Convertible preferred stock, par value $0.0001 per share, issuable in Series A, B, C and D: 50,399,075 shares authorized, 43,899,075 shares issued and outstanding, actual; no shares issued and outstanding, pro forma and pro forma as adjusted | 252,614 | – | |
| Stockholders' deficit: | | | |
| Common stock, par value $0.0001 per share, actual and pro forma; par value $0.0001 per share, pro forma as adjusted: shares authorized, shares issued, shares outstanding, actual; shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted | 1 | 5 | |
| Additional paid-in capital | 13,946 | 266,556 | |
| Accumulated other comprehensive income (loss) | (165) | (165) | |
| Accumulated deficit | (181,104) | (181,104) | |
| Total stockholders' equity (deficit) | (167,322) | 85,292 | |
| Total capitalization | $85,292 | $ 85,292 | $ |

If the underwriters' option to purchase additional shares of our common stock from us were exercised in full, pro forma as adjusted cash and cash equivalents and short-term investments, additional paid-in capital, total stockholders' equity (deficit) and shares issued and outstanding as of September 30, 2014 would be $ million, $ million, $ million and shares, respectively.

In July 2011, we issued a warrant to purchase 6,500,000 shares of Series A preferred stock at an exercise price of $0.005 per share to Yahoo!, a related party. Upon consummation of the offering, this warrant will be exercisable for common stock and the fair value of the warrant will be recognized as a reduction in revenue up to the cumulative amount of revenue recognized to date from Yahoo!, which was approximately $3.3 million as of September 30, 2014, and any excess of such fair value over such cumulative revenue will be recognized in cost of sales, in the quarter in which the offering is consummated. The reduction in revenue and increase in cost of sales resulting from vesting of the warrant is estimated at $ million in the aggregate (comprised of $ million as a reduction in revenue and $ million as an increase in cost of sales, assuming that the offering had been consummated on September 30, 2014), based on an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and would result in an increase of $ in additional paid-in capital and a net increase of $ million in accumulated deficit. See "Management's Discussion and Analysis of Financial Condition and Results of Operations–Overview." The warrant will not have an impact on our revenue or expenses in periods subsequent to the period in which this offering is consummated.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, our cash and cash equivalents and short-term investments, additional paid-in capital and total stockholders' equity (deficit) by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. Similarly, each increase or decrease of one million shares in the number of shares of our common stock offered by us would increase or decrease, as applicable, our cash and cash equivalents and short-term investments, additional paid-in capital and total stockholders' equity (deficit) by approximately $ million, assuming that the initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions.

The pro forma and pro forma as adjusted columns in the table above exclude the following:

- 27,481,340 shares of our common stock issuable upon the exercise of options to purchase common stock that were outstanding as of September 30, 2014, with a weighted average exercise price of $3.70 per share (which excludes 5,187,290 restricted shares issued under the 2011 Stock Option and Grant Plan);
- 675,000 shares of our common stock issuable upon the exercise of options to purchase common stock granted after September 30, 2014, with a weighted average exercise price of $9.88 per share;
- 12,000,000 shares of our common stock reserved for future issuance under our 2014 Stock Option and Incentive Plan, which will become effective upon completion of this offering, which contains provisions that automatically increase its share reserve each year and includes shares of common stock that were reserved under our 2011 Stock Option and Grant Plan;
- 5,000,000 shares of our common stock reserved for issuance under our 2014 Employee Stock Purchase Plan, which will become effective upon the completion of this offering and contains provisions that automatically increase its share reserve each year;

6,500,000 shares of our common stock issuable upon the exercise of a warrant to purchase shares of our Series A preferred stock outstanding as of September 30, 2014, with an exercise price of $0.005 per share that will be exercisable for common stock upon the completion of this offering; and

952,736 shares of our common stock, subject to further adjustment in the event that we sell any additional shares of Series D preferred stock or warrants to purchase Series D preferred stock prior to the completion of this offering or other liquidation event, issuable upon the exercise of a warrant to purchase shares of our common stock with an exercise price of $4.23 per share.

## DILUTION

If you invest in our common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering. Net tangible book value dilution per share to new investors represents the difference between the amount per share paid by purchasers of shares of our common stock in this offering and the pro forma as adjusted net tangible book value per share of our common stock immediately after completion of this offering.

Net tangible book value per share is determined by dividing our total tangible assets less our total liabilities by the number of shares of our common stock outstanding. Our historical net tangible book value (deficit) as of September 30, 2014 was $ million, or $ per share. Our pro forma net tangible book value (deficit) as of September 30, 2014 was $ million, or $ per share, based on the total number of shares of our common stock outstanding as of September 30, 2014, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock as of September 30, 2014 into an aggregate of shares of our common stock, which conversion will occur upon the completion of this offering.

After giving effect to the sale by us of shares of our common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2014 would have been $ million, or $ per share. This represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of $ per share to investors purchasing shares of our common stock in this offering at the assumed initial public offering price. The following table illustrates this dilution:

| | | |
|---|---|---|
| Assumed initial public offering price per share | | $ |
| Pro forma net tangible book value (deficit) per share as of September 30, 2014 | $ | |
| Increase in pro forma net tangible book value (deficit) per share attributable to new investors in this offering | | |
| Pro forma as adjusted net tangible book value per share immediately after this offering | | |
| Dilution in pro forma net tangible book value per share to new investors in this offering | | $ |

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, our pro forma as adjusted net tangible book value per share to new investors by $ , and would increase or decrease, as applicable, dilution per share to new investors in this offering by $ , 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. Similarly, each increase or decrease of one million shares in the number of shares of our common stock offered by us would increase or decrease, as applicable, our pro forma as adjusted net tangible book value per share to new investors by $ , and would increase or decrease, as applicable, dilution per share to new investors in this offering by $ million, assuming that the initial public offering price of $ per share, which is the midpoint of the estimated

offering price range set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions.

In addition, to the extent any outstanding options to purchase our common stock are exercised, new options are issued under our share-based compensation plans or we issue additional shares of our common stock in the future, investors participating in this offering would experience further dilution. If the underwriters exercise their option to purchase additional shares of our common stock from us in full, the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering would be $ per share, and the dilution in pro forma net tangible book value per share to new investors in this offering would be $ per share.

The following table presents, on a pro forma as adjusted basis as of September 30, 2014, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into our common stock upon the completion of this offering, the differences between the existing stockholders and the new investors purchasing shares of our common stock in this offering with respect to the number of shares purchased from us, the total consideration paid or to be paid to us, which includes net proceeds received from the issuance of our common stock and our convertible preferred stock, cash received from the exercise of stock options, and the average price per share paid or to be paid to us at an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering 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:

| | Shares Purchased | | Total Consideration | | Average Price per Share |
|---|---|---|---|---|---|
| | Number | Percent | Amount | Percent | |
| Existing stockholders | | % | $ | % | $ |
| New investors | | | | | |
| Totals | | 100 % | $ | 100 % | |

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. In addition, to the extent any outstanding options to purchase common stock are exercised, new investors will experience further dilution.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares. If the underwriters exercise their option to purchase additional shares in full from us, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding upon the completion of this offering.

The number of shares of our common stock to be outstanding after this offering is based on the number of shares of our common stock outstanding as of September 30, 2014, includes the conversion into common stock of 43,899,075 shares of preferred stock upon the completion of this offering and excludes:

- 27,481,340 shares of our common stock issuable upon the exercise of options to purchase common stock that were outstanding as of September 30, 2014, with a weighted average exercise price of $3.70 per share (which excludes 5,187,290 restricted shares issued under the 2011 Stock Option and Grant Plan);

675,000 shares of our common stock issuable upon the exercise of options to purchase common stock granted after September 30, 2014, with a weighted average exercise price of $9.88 per share;

12,000,000 shares of our common stock reserved for future issuance under our 2014 Stock Option and Incentive Plan, which will become effective upon completion of this offering, which contains provisions that automatically increase its share reserve each year and includes shares of common stock that were reserved under our 2011 Stock Option and Grant Plan;

5,000,000 shares of our common stock reserved for issuance under our 2014 Employee Stock Purchase Plan, which will become effective upon the completion of this offering and contains provisions that automatically increase its share reserve each year;

6,500,000 shares of our common stock issuable upon the exercise of a warrant to purchase shares of our Series A preferred stock outstanding as of September 30, 2014, with an exercise price of $0.005 per share that will be exercisable for common stock upon the completion of this offering; and

952,736 shares of our common stock, subject to further adjustment in the event that we sell any additional shares of Series D preferred stock or warrants to purchase Series D preferred stock prior to the completion of this offering or other liquidation event, issuable upon the exercise of a warrant to purchase shares of our common stock with an exercise price of $4.23 per share.

## SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated statement of operations data for the years ended April 30, 2012 and 2013 and the eight months ended December 31, 2013 and the consolidated balance sheet data as of April 30, 2012 and 2013 and December 31, 2013 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated statement of operations data for the nine months ended September 30, 2013 and 2014 and for the eight months ended December 31, 2012, and the consolidated balance sheet data as of September 30, 2014, are derived from our unaudited interim and comparative transition period consolidated financial statements included elsewhere in this prospectus. The unaudited interim and comparative transition period consolidated financial statements reflect, in the opinion of management, all adjustments, of a normal, recurring nature that are necessary for the fair presentation of the consolidated financial statements. Our historical results are not necessarily indicative of the results that may be expected in the future, and the results for the nine months ended September 30, 2014 are not necessarily indicative of results to be expected for the full year or any other period. The following selected financial and other data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | (In thousands, except share and per share amounts) | | | | | |
| **Consolidated Statement of Operations Data:** | | | | | | |
| Support subscription | $1,276 | $7,739 | $3,643 | $11,415 | $10,212 | $19,190 |
| Professional services | 370 | 3,259 | 1,135 | 6,450 | 5,726 | 14,198 |
| Total support subscription and professional services revenue(1) | 1,646 | 10,998 | 4,778 | 17,865 | 15,938 | 33,388 |
| Cost of revenue: | | | | | | |
| Cost of support subscription | 421 | 5,071 | 2,880 | 3,720 | 4,995 | 2,875 |
| Cost of professional services | 974 | 5,862 | 3,053 | 9,990 | 8,493 | 19,125 |
| Total cost of revenue(2) | 1,395 | 10,933 | 5,933 | 13,710 | 13,488 | 22,000 |
| Gross profit (loss) | 251 | 65 | (1,155) | 4,155 | 2,450 | 11,388 |
| Operating expenses:(2) | | | | | | |
| Sales and marketing | 2,589 | 17,187 | 8,403 | 21,357 | 21,584 | 44,553 |
| Research and development | 6,881 | 12,070 | 6,768 | 14,621 | 13,752 | 26,270 |
| General and administrative | 2,384 | 7,598 | 3,487 | 14,368 | 15,583 | 17,634 |
| Contribution of acquired technology to the Apache Software Foundation | – | – | – | – | – | 3,971 |
| Total operating expenses | 11,854 | 36,855 | 18,658 | 50,346 | 50,919 | 92,428 |
| Loss from operations | (11,603) | (36,790) | (19,813) | (46,191) | (48,469) | (81,040) |
| Interest and other income | 84 | 215 | 159 | 152 | 159 | 381 |
| Other expense | (1) | (52) | (49) | (129) | (56) | (7,269) |
| Loss before income tax expense (benefit) | (11,520) | (36,627) | (19,703) | (46,168) | (48,366) | (87,928) |
| Income tax expense (benefit) | 1 | 11 | 8 | 45 | 34 | (1,196) |
| Net loss | $(11,521) | $(36,638) | $(19,711) | $(46,213) | $(48,400) | $(86,732) |
| Net loss per share of common stock, basic and diluted(3) | $(37.15) | $(15.14) | $(8.48) | $(9.09) | $(14.37) | $(10.40) |
| Weighted average shares used in computing net loss per share of common stock, basic and diluted(3) | 310,105 | 2,419,502 | 2,323,761 | 5,083,600 | 3,368,335 | 8,336,102 |
| Pro forma net loss per share of common stock, basic and diluted(4) | | $(1.34) | | $(1.31) | | $(1.86) |
| Weighted average shares used in computing pro forma net loss per share of common stock, basic and diluted(4) | | 27,302,310 | | 35,278,181 | | 46,719,827 |

(1) Total support subscription and professional services revenue for the eight months ended December 31, 2013 and nine months ended September 30, 2014 includes contra-revenue adjustments recognized for equity securities issued to an affiliate of AT&T, which is a customer, as follows:

| | Eight Months Ended December 31, 2013 | Nine Months Ended September 30, 2014 | Twelve Months Ended September 30, 2014 |
|---|---|---|---|
| Gross support and subscription and professional services revenue: | | | |
| Support subscription | $ 11,782 | $ 21,151 | $ 26,768 |
| Professional services | 6,465 | 14,277 | 17,188 |
| Total support subscription and professional services revenue | 18,247 | 35,428 | 43,956 |
| Contra-support subscription and professional services revenue: | | | |
| Support subscription | (367) | (1,961) | (2,328) |
| Professional services | (15) | (79) | (93) |
| Total contra-support subscription and professional services revenue | (382) | (2,040) | (2,421) |
| Net support subscription and professional services revenue: | | | |
| Support subscription | 11,415 | 19,190 | 24,440 |
| Professional services | 6,450 | 14,198 | 17,095 |
| Total net support subscription and professional services revenue | $ 17,865 | $ 33,388 | $ 41,535 |

(2) Stock-based compensation was allocated as follows:

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| Cost of revenue | $ 14 | $ 45 | $ 44 | $ 132 | $ 83 | $ 320 |
| Research and development | 140 | 244 | 140 | 468 | 327 | 1,146 |
| Sales and marketing | 18 | 234 | 110 | 321 | 270 | 978 |
| General and administrative | 150 | 239 | 122 | 406 | 342 | 3,048 |
| Total stock-based compensation | $ 322 | $ 762 | $ 416 | $ 1,327 | $ 1,022 | $ 5,492 |

(3) See Note 11 to our consolidated financial statements for an explanation of the method used to calculate basic and diluted net loss per share attributable to common stockholders and the weighted average number of shares used in the computation of the per share amounts.

(4) See Note 12 to our consolidated financial statements for an explanation of the method used to calculate pro forma basic and diluted net loss per share attributable to common stockholders and the weighted average number of shares used in the computation of the per share amounts.

| | As of April 30, | | As of December 31, 2013 | As of September 30, 2014 |
|---|---|---|---|---|
| | 2012 | 2013 | (In thousands) | |
| **Consolidated Balance Sheet Data:** | | | | |
| Cash and cash equivalents and short-term investments | $51,350 | $17,883 | $ 38,509 | $ 111,614 |
| Working capital | 50,493 | 14,102 | 22,582 | 90,470 |
| Property and equipment, net | 381 | 1,050 | 1,093 | 2,201 |
| Total assets | 55,029 | 29,279 | 54,443 | 160,335 |
| Deferred revenue | 10,148 | 16,730 | 27,928 | 47,720 |
| Total stockholders' equity (deficit) | (10,623) | (46,415) | (90,440) | (167,322) |

**Key Metric – Gross Billings**

We have included gross billings, a non-GAAP financial measure, in this prospectus because it is a key measure used by our board of directors and management to monitor our near term cash flows and manage our business. Gross billings is calculated as total revenue plus the change in deferred revenue for the same period. As we have not yet established vendor-specific objective evidence of fair value for our support subscriptions, we recognize revenue ratably over the period beginning when both the support subscription and professional services have commenced for customers with agreements that purchase both a support subscription and professional services. Most of our customer agreements include both support subscription and professional services. The accounting treatment for such agreements causes our revenue to trail the impact of these customer agreements and creates significant deferred revenue balances.

We have provided a reconciliation between total revenue, the most directly comparable GAAP financial measure, and gross billings in the table below. Accordingly, we believe gross billings provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our board of directors and management.

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | | Twelve Months Ended September 30, |
|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 | 2014 |
| | | | | (in thousands) | | | |
| **Gross billings:** | | | | | | | |
| Total revenue | $1,646 | $10,998 | $4,778 | $17,865 | $15,938 | $33,388 | $ 41,535 |
| Total deferred revenue, end of period | 10,148 | 16,730 | 15,096 | 27,928 | 23,573 | 47,720 | 47,720 |
| Less: Total deferred revenue, beginning of period | – | (10,148) | (10,148) | (16,730) | (15,096) | (27,928) | (23,573) |
| Total change in deferred revenue | 10,148 | 6,582 | 4,948 | 11,198 | 8,477 | 19,792 | 24,147 |
| **Gross billings** | $11,794 | $17,580 | $9,726 | $29,063 | $24,415 | $53,180 | $ 65,682 |

## MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with "Selected Consolidated Financial Data" and the consolidated financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed in "Risk Factors" and in other parts of this prospectus.*

### Overview

We seek to advance the market adoption of Hadoop and provide enterprises with a new data management solution that enables them to harness the power of big data to transform their businesses through more effective and efficient management of their valuable data assets. A Hadoop cluster combines commodity servers with local storage and an open source software distribution to create a reliable distributed compute and storage platform for large data sets scalable up to PBs, with thousands of servers or nodes. Our solution is an enterprise-grade data management platform built on a unique distribution of Apache Hadoop and powered by YARN. Our approach is differentiated in that we are committed to serving the Apache Software Foundation open source ecosystem and to sharing all of our product developments with the open source community. We distribute the Hortonworks Data Platform software under the Apache open source license in order to provide broad rights for recipients of the software to use, copy, modify and redistribute the software. Consistent with our open source approach, we generally make the Hortonworks Data Platform available free of charge and derive the predominant amount of our revenue from support subscription offerings and professional services.

Since our founding in April 2011, we and our partners have achieved the following significant milestones:

October 2011: Announced strategic relationship with Microsoft to deliver Hadoop-based solutions for Windows Server and Windows Azure;

February 2012: Announced joint development, support and marketing partnership with Teradata;

June 2012: Hortonworks Data Platform Version 1.0 general availability;

September 2012: Hortonworks Data Platform Version 1.1 general availability;

October 2012: Announced joint initiative with Rackspace to deliver OpenStack and Hadoop-based solutions for public and private cloud;

January 2013: Hortonworks Sandbox general availability and Hortonworks Data Platform Version 1.2 general availability;

May 2013: Hortonworks Data Platform Version 1.1 for Windows general availability (first release for Windows);

June 2013: Hortonworks Data Platform Version 1.3 general availability; Teradata Launches Teradata Portfolio for Hadoop (Teradata sells Hortonworks Data Platform in appliance, on commodity hardware, and as a subscription);

August 2013: Hortonworks Data Platform Version 1.3 for Windows general availability;

September 2013: Announced reseller agreement with SAP;

October 2013: Hortonworks Data Platform Version 2.0 with YARN general availability (first general availability release of the Hortonworks Data Platform with YARN), announced reseller

agreement with HP and Microsoft launches Windows Azure HDInsight (Azure cloud service built on Hortonworks Data Platform);

February 2014: Announced deepened strategic alliance with Red Hat to bring enterprise Apache Hadoop to the open hybrid cloud;

April 2014: Hortonworks Data Platform Version 2.1 for both Linux and Windows general availability (simultaneous distribution of the Hortonworks Data Platform on both platforms);

May 2014: Hortonworks acquired XA Secure, a data security company. In connection with the acquisition of XA Secure, we acquired developed technology with a fair value of approximately $4.0 million. On August 13, 2014, we contributed the developed technology to the Apache Software Foundation (ASF) and are recognizing an operating expense equal to the carrying value of the developed technology in our statement of operations at the point in time of the contribution (see discussion in Note 4 of the accompanying notes to the consolidated financial statements); and

June 2014: Launch of Hortonworks YARN Ready Program to accelerate independent software vendor on-boarding onto YARN.

We generate revenue by selling support subscription offerings and professional services. Our support subscription agreements are typically annual arrangements. We price our support subscription offerings based on the number of servers in a cluster, or nodes, data under management and/or the scope of support provided. Accordingly, our support subscription revenue varies depending on the scale of our customers' deployments and the scope of the support agreement. Professional services revenue is derived from consulting services engagements and training services. Our consulting services are provided primarily on a time and materials basis, and to a lesser extent, a fixed fee basis, and training services are priced based on attendance. The growth of our total revenue is dependent upon (i) new customer acquisition, (ii) expansion of sales within our existing customer base and (iii) the annual renewal of our support subscription agreements by our existing support subscription customers. Our revenue is subject to fluctuations based upon our success at addressing these factors but may also be impacted by the revenue recognition requirements of our multiple-element customer arrangements. Our early growth strategy has been aimed at acquiring customers for our support subscription offerings via a direct sales force and delivering consulting services. As we grow our business, our longer-term strategy will be to expand our partner network and leverage our partners to deliver a larger proportion of professional services to our customers on our behalf. The implementation of this strategy is expected to result in an increase in upfront costs in order to establish and further cultivate such strategic partnerships, but we expect that it will increase gross margins in the long term as the percentage of our revenue derived from professional services, which has a lower gross margin than our support subscriptions, decreases.

Our ability to successfully implement these strategies is subject to challenges, risks and uncertainties and our net losses have been increasing year over year. In our efforts to achieve profitability, we have placed and will continue to place an emphasis on investing within our support subscription sales efforts to try to drive increased revenue in both support subscriptions and professional services. If these support subscription sales efforts are not successful, due to unsuccessful execution by us, increased competition in our markets, or other factors, we will find it difficult to add new support subscription customers, and our revenue will not grow as quickly as we would like, and may decline. In addition, our longer-term strategy of leveraging our partners to provide an increasing proportion of professional services to our customers presents certain challenges. This strategy requires us to make upfront expenditures and devote time and attention to cultivating relationships. If we are unable to identify and engage suitable partners that are able to provide such services, or if our partners are unable to provide professional services at the quality level that our customers expect, we may not be able to achieve this transition as quickly as we would like, or at all. We expect that our ability to successfully implement this strategy will have a material impact on whether we can achieve profitability, due to the difference in gross margins on our support subscription services versus our professional services. If the percentage of our total revenue that comes from professional

services does not decrease over time as we expect, or we are not able to establish VSOE for professional services revenue, then our ability to achieve profitability will be negatively impacted.

We have had a few agreements with, and equity issuances to, certain of our early, large customers that have had a significant impact on our historical results and that will continue to impact our reported GAAP results at least through the quarter in which this offering is completed. These transactions were:

In July 2011, we issued a warrant to purchase 6,500,000 shares of Series A preferred stock at an exercise price of $0.005 per share to Yahoo!, a related party. The warrant was issued in connection with our Series A financing and the transactions contemplated thereby, including commercial agreements with Yahoo! providing for support subscription offerings and certain rights to technology. The warrant expires nine years from the date of issuance and will become exercisable for common stock upon the consummation of this offering. As the warrant was issued to a customer, the vesting of the warrant upon the consummation of this offering will result in an immediate reduction in revenue up to the cumulative amount of revenue recognized with Yahoo!, through the consummation of this offering period. Our cumulative revenue from Yahoo! was approximately $3.3 million as of September 30, 2014. Any excess of the fair value of the warrant over the reduction in revenue will be recognized in cost of sales during the quarter in which we complete this offering. Assuming an initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, we would have recognized a contra-revenue adjustment of $ million and a charge to cost of sales of $ million if the offering had been consummated on September 30, 2014. This warrant will not have an impact on our revenue or expenses in subsequent periods.

In February 2012, we entered into a multi-year agreement with Teradata, a related party, whereby we will provide development, support, training and other professional services to Teradata and Teradata' s end-user customers. In April 2012, Teradata made a non-refundable $9.5 million prepayment that will be used to credit amounts owed for end-user support and professional services that we may provide under the agreement. As of September 30, 2014, $6.4 million of the $9.5 million prepayment remained in deferred revenue.

In July 2012, we entered into a multi-year subscription arrangement with Microsoft as a customer and partner in order to enable the Hortonworks Data Platform to execute on the Windows Server and Azure Cloud platforms. The arrangement consisted of an initial co-engineering effort with Microsoft, which, except for ongoing standard maintenance, was completed in October 2013, followed primarily by ongoing support subscription offerings. Microsoft contributed significantly to our early revenue (27% and 55% of total revenue for the years ended April 30, 2012 and 2013, respectively, 58% and 38% of total revenue for the eight months ended December 31, 2012 and 2013, respectively, and 47% and 22% of total revenue for the nine months ended September 30, 2013 and 2014, respectively). We expect the revenues from Microsoft to continue to decrease as a percentage of our total revenue in the future as we generate more revenue from other customers.

In September 2013, we entered into a commercial agreement and common stock purchase agreement with AT&T covering the sale and issuance of 780,539 shares of our common stock to an affiliate of AT&T at a per share price of $0.0001. The shares were fully vested as of January 30, 2014. As a result of the issuance of shares to a customer at below fair value, we recorded contra-revenue in the amount of $0.4 million for the eight months ended December 31, 2013 and $2.0 million in connection with the accelerated vesting of the remaining shares for the nine months ended September 30, 2014.

In June 2014, we issued a warrant to purchase up to 1.0% of our shares of common stock outstanding at the issuance date at an exercise price of $4.23 per share to Yahoo!, a related

party. The number of shares for which the warrant is exercisable can be increased for future issuances of shares (or warrants to purchase shares) of our Series D Preferred Stock prior to the occurrence of a corporate event, which includes this offering. The warrant was issued to Yahoo! in exchange for the amendment of certain rights held by Yahoo! under the Investors' Rights Agreement to approve certain corporate transactions involving Hortonworks. The warrant expires nine years from the date of issuance and will become exercisable upon the consummation of this offering. As of September 30, 2014, the warrant is exercisable for 952,736 shares of our common stock. The combined value of the initial measurement and the change in the fair value of this warrant of $7.2 million is recorded as other expense in our consolidated statement of operations for the nine months ended September 30 2014. As of September 30, 2014, this amount is also recorded as a long term liability in our consolidated balance sheet.

We have achieved significant growth in recent periods. For the years ended April 30, 2012 and 2013, our revenue was $1.6 million and $11.0 million, respectively. For the eight months ended December 31, 2012 and 2013, our revenue was $4.8 million and $17.9 million, respectively. For the nine months ended September 30, 2013 and 2014, our revenue was $15.9 million and $33.4 million, respectively. We incurred net losses of $11.5 million and $36.6 million for the years ended April 30, 2012 and 2013, respectively, $19.7 million and $46.2 million for the eight months ended December 31, 2012 and 2013, respectively, and $48.4 million and $86.7 million for the nine months ended September 30, 2013 and 2014, respectively. For the twelve months ended September 30, 2014, our revenue was $41.5 million and our net losses were $101.5 million.

## Change in Fiscal Year

We changed our fiscal year end from April 30 to December 31, commencing with our fiscal year ended December 31, 2013.

## Key Factors Affecting Our Performance

***Adding New Support Subscription Customers.*** Growth of our revenue from our support subscription offerings is driven by agreements with new support subscription customers, renewals of existing support subscription agreements and increased revenues from existing support subscription customers. The number of agreements with new support subscription customers signed may vary from period to period for several reasons, including the length of our sales cycle, the effectiveness of our sales and marketing efforts and overall adoption rates of Hadoop-based solutions. The contract value of our support subscriptions with individual support subscription customers varies substantially among customers, and our results of operations may fluctuate from period to period depending on the timing of particular large support subscriptions. Our results of operations may also fluctuate, in part, because of the resource-intensive nature of our sales efforts, the length and variability of the sales cycle of our support subscription offerings and the difficulty in making short-term adjustments to our operating expenses. The length of our sales cycle from initial evaluation to payment for our support subscription offerings is generally six to nine months, but can extend to one year or more for some customers. In addition, because our professional services engagements frequently relate to initial new support subscription customer deployments of the Hortonworks Data Platform, growth in our professional services revenue is driven primarily by adding new support subscription customers.

***Additional Sales to Existing Support Subscription Customers*.** Our existing support subscription customers continue to represent a large opportunity for us to expand our revenue base. Growth of our revenue from existing support subscription customers typically comes when customers increase the scale of their deployment of the Hortonworks Data Platform. We price our support subscription offerings based on the number of nodes, data under management and/or the scope of

services provided. Accordingly, our revenues from our support subscription offerings vary depending on the scale of our support subscription customers' deployments and the scope of the support agreement.

***Investing in Growth*.** We will continue to focus on long-term growth. We believe that our market opportunity is large and underpenetrated, and we will continue to invest significantly in sales and marketing to grow our customer base, expand within existing support subscription customers and grow internationally to drive additional revenue. We also expect to invest in research and development to enhance the Hortonworks Data Platform. To support our expected growth and our transition to a public company, we plan to invest in other operational and administrative functions. We expect to use the proceeds from this offering to fund these growth strategies and do not expect to be profitable in the near future. We also intend to leverage business partners for the delivery of professional services. We believe that our sales and marketing, research and development and general and administrative costs will decrease as a percentage of revenue in the long term as we are able to reach economies of scale and achieve process improvements and other operational efficiencies. With this increased operating leverage, we expect our gross and operating margins to increase in the long term.

***Revenue Recognition Policies*.** We typically enter into sales arrangements pursuant to which we provide both support subscription offerings and professional services. Pursuant to software revenue recognition rules under GAAP, for arrangements providing for both support subscription offerings and professional services, we typically recognize as revenue the entire arrangement fee ratably over the subscription period, although the appropriate timing of revenue recognition must be evaluated on an arrangement-by-arrangement basis. See "–Critical Accounting Policies and Estimates–Revenue Recognition." The costs associated with our support subscription and professional services revenue are expensed as we incur the delivery costs. However, in many cases, the related revenue is deferred and recognized ratably over a later period. Thus, during times of rapid customer growth and accompanying delivery of professional services, our gross margin is expected to be negatively impacted.

## Key Business Metrics

We review a number of metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. These key business metrics include the following:

***Dollar-Based Net Expansion Rate.*** We believe that our ability to retain our customers and expand their support subscription revenue over time will be an indicator of the stability of our revenue base and the long-term value of our customer relationships. Maintaining customer relationships allows us to sustain and increase revenue to the extent customers maintain or increase the number of nodes, data under management and/or the scope of the support subscription agreements. To date, only a small percentage of our customer agreements has reached the end of their original terms and, as a result, we have not observed a large enough sample of renewals to derive meaningful conclusions. Based on our limited experience, we observed a dollar-based net expansion rate of 125% as of September 30, 2014. We calculate dollar-based net expansion rate as of a given date as the aggregate annualized subscription contract value as of that date from those customers that were also customers as of the date 12 months prior, divided by the aggregate annualized subscription contract value from all customers as of the date 12 months prior. We calculate annualized support subscription contract value for each support subscription customer as the total subscription contract value as of the reporting date divided by the number of years for which the support subscription customer is under contract as of such date.

Total subscription contract value for a support subscription customer account is a legal and contractual determination made by assessing the contractual terms of each support subscription, as of the date of determination, as to the subscription fees we expect to receive for that support subscription, assuming no changes to the subscription. The total subscription contract value is not determined by

reference to historical or future revenue, deferred revenue or any other GAAP financial measure over any period. It is forward-looking and contractually derived as of the date of determination, and the period over which any associated revenue is recognized is affected by our revenue recognition policies under GAAP.

***Total support subscription customers.*** We believe total support subscription customers is a key indicator of our market penetration, growth and future revenues. In order to grow our customer base, we have aggressively invested in and intend to continue to invest in our direct sales team, as well as to pursue additional partnerships within our indirect sales channel. We generally define a support subscription customer as an entity with an active support subscription as of the measurement date. In situations where there are multiple contracts with multiple subsidiaries or divisions, universities, or governmental organizations of a single entity, each support subscription contract is treated as a separate instance of our subscription or professional services and is counted as representing a separate customer. Our total support subscription customers were 54 and 233 as of September 30, 2013 and 2014, respectively.

## Components of Results of Operations

### *Revenue*

We generate revenue primarily under multiple-element arrangements that include support subscription offerings combined with consulting and/or training services. We have not yet established vendor-specific objective evidence of fair value, or VSOE, for our support subscriptions. Accordingly, for our multiple-element arrangements, we recognize revenue on a ratable basis over the period beginning when both the support subscription and professional services have commenced, and ending at the conclusion of the support subscription or professional services period, whichever is longer.

### *Cost of Revenue*

Cost of support subscription revenue consists primarily of personnel costs (including salaries, benefits, and stock-based compensation) for employees associated with our support subscription offerings mainly related to technology support and allocated shared costs. Cost of professional services revenue consists primarily of personnel costs (including salaries, benefits and stock-based compensation) for employees and fees to subcontractors associated with our professional service contracts, travel costs and allocated shared costs. We allocate shared costs such as rent, shared information technology costs, and employee benefit costs to all departments based on headcount. As such, allocated shared costs are reflected in cost of revenue and each operating expense category.

### *Operating Expenses*

*Sales and Marketing.* Sales and marketing expenses consist primarily of personnel costs (including salaries, benefits and stock-based compensation) for our sales and marketing employees. In addition, sales and marketing expenses include the cost of advertising, online marketing, promotional events, corporate communications, product marketing and other brand-building activities. We expect our sales and marketing expenses to continue to increase in absolute dollars for the foreseeable future as we continue to invest in our selling and marketing activities, building brand awareness, attracting new customers and sponsoring additional marketing events. However, we expect our sales and marketing expenses to decrease as a percentage of our total revenue over the long term.

*Research and Development.* Research and development expenses consist primarily of personnel costs (including salaries, benefits and stock-based compensation) for our research and development employees, costs associated with subcontractors and equipment lease expenses. We expect to continue to focus our research and development efforts on enhancing and adding new features and functionality to the Hortonworks Data Platform. As a result, we expect our research and

development expenses to continue to increase in absolute dollars for the foreseeable future. However, we expect our research and development expenses to decrease as a percentage of our total revenue over the long term.

*General and Administrative.* General and administrative expenses consist primarily of personnel costs (including salaries, benefits and stock-based compensation) for our executive, finance, human resources, IT and other administrative employees. In addition, general and administrative expenses include fees for third-party professional services, including consulting, legal and accounting services and other corporate expenses and allocated overhead. We expect our general and administrative expenses to continue to increase in absolute dollars for the foreseeable future as we become a public company and continue to invest in the growth of our business. However, we expect our general and administrative expenses to decrease as a percentage of our total revenue over the long term.

## Results of Operations

The following table sets forth selected consolidated statements of operations data for each of the periods indicated:

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | (in thousands) | | | | | |
| Support subscription and professional services revenue: | | | | | | |
| Support subscription | $1,276 | $7,739 | $3,643 | $11,415 | $10,212 | $19,190 |
| Professional services | 370 | 3,259 | 1,135 | 6,450 | 5,726 | 14,198 |
| Total support subscription and professional services revenue | 1,646 | 10,998 | 4,778 | 17,865 | 15,938 | 33,388 |
| Cost of revenue: | | | | | | |
| Support subscription | 421 | 5,071 | 2,880 | 3,720 | 4,995 | 2,875 |
| Professional services | 974 | 5,862 | 3,053 | 9,990 | 8,493 | 19,125 |
| Total cost of revenue | 1,395 | 10,933 | 5,933 | 13,710 | 13,488 | 22,000 |
| Gross profit (loss) | 251 | 65 | (1,155) | 4,155 | 2,450 | 11,388 |
| Operating expenses: | | | | | | |
| Sales and marketing | 2,589 | 17,187 | 8,403 | 21,357 | 21,584 | 44,553 |
| Research and development | 6,881 | 12,070 | 6,768 | 14,621 | 13,752 | 26,270 |
| General and administrative | 2,384 | 7,598 | 3,487 | 14,368 | 15,583 | 17,634 |
| Contribution of acquired technology to the Apache Software Foundation | – | – | – | – | – | 3,971 |
| Total operating expenses | 11,854 | 36,855 | 18,658 | 50,346 | 50,919 | 92,428 |
| Loss from operations | (11,603) | (36,790) | (19,813) | (46,191) | (48,469) | (81,040) |
| Interest and other income | 84 | 215 | 159 | 152 | 159 | 381 |
| Other expense | (1) | (52) | (49) | (129) | (56) | (7,269) |
| Loss before income tax expense (benefit) | (11,520) | (36,627) | (19,703) | (46,168) | (48,366) | (87,928) |
| Income tax expense (benefit) | 1 | 11 | 8 | 45 | 34 | (1,196) |
| Net loss | $(11,521) | $(36,638) | $(19,711) | $(46,213) | (48,400) | $(86,732) |

**Comparison of the Nine Months Ended September 30, 2013 and 2014**

***Revenue***

| | Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2013 | 2014 | $ Change | % Change |
| | (in thousands) | | | |
| Support subscription revenue | $10,212 | $19,190 | $8,978 | 88 % |
| Professional services revenue | 5,726 | 14,198 | 8,472 | 148 |
| Total support subscription and professional services revenue | $15,938 | $33,388 | $17,450 | 109 |

Support subscription revenue increased $9.0 million in the nine months ended September 30, 2014 compared to the same period in 2013 due to the significant growth in our subscription customer base from 54 support subscription customers to 233 support subscription customers as well as sales of additional support subscriptions to our existing customers. The period-over-period increase was also impacted by a $2.0 million contra-revenue adjustment recorded in the period ended September 30, 2014 related to the accelerated vesting of shares issued to an affiliate of AT&T, as discussed under "–Overview" above.

Professional services revenue increased $8.5 million in the nine months ended September 30, 2014 compared to the same period in 2013 due to the significant growth in our support subscription customer base from 54 support subscription customers to 233 support subscription customers and sales of additional professional services to our existing customers. While the percentage of total revenue from professional services for the nine months ended September 30, 2014 on a GAAP basis was approximately 43% of total revenue, the percentage of total revenue from professional services before contra-revenue adjustments for the same period was approximately 40%, which is more in line with prior periods. See "Prospectus Summary–Summary Consolidated Financial Data" for further discussion of such contra-revenue adjustments.

***Cost of revenue***

| | Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2013 | 2014 | $ Change | % Change |
| | (in thousands) | | | |
| Cost of support subscription revenue | $4,995 | $2,875 | $(2,120 ) | (42 )% |
| Cost of professional services revenue | 8,493 | 19,125 | 10,632 | 125 |
| Total cost of revenue | $13,488 | $22,000 | $8,512 | 63 |

Cost of support subscription revenue decreased $2.1 million in the nine months ended September 30, 2014 compared to the same period in 2013. The decrease was due to a $3.7 million decrease in costs for joint engineering efforts with Microsoft to develop the Hortonworks Data Platform for Windows as such efforts were substantially completed by the end of 2013. The decrease was partially offset by a $1.6 million increase in employee costs related to our increased headcount.

Cost of professional services revenue increased $10.6 million in the nine months ended September 30, 2014 compared to the same period in 2013. The increase was primarily due to a $9.1 million increase in employee compensation related to our increased headcount. In addition, travel costs, rent and web hosting costs increased by $1.1 million, $0.1 million and $0.1 million, respectively, in order to support our growth.

***Sales and marketing***

| | Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2013 | 2014 | $ Change | % Change |
| | (in thousands) | | | |
| Sales and marketing | $21,584 | $44,553 | $22,969 | 106 % |

Sales and marketing expenses increased $23.0 million in the nine months ended September 30, 2014 compared to the same period in 2013. The increase was primarily due to a $17.6 million increase in employee compensation related to our increased headcount. In addition, marketing expenses increased by $2.2 million and travel, rent and equipment expenses increased by $1.8 million, $0.5 million and $0.3 million, respectively, in order to support our growth.

***Research and development***

| | Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2013 | 2014 | $ Change | % Change |
| | (in thousands) | | | |
| Research and development | $13,752 | $26,270 | $12,518 | 91 % |

Research and development expenses increased $12.5 million in the nine months ended September 30, 2014 compared to the same period in 2013. The increase was primarily due to an $8.8 million increase in employee compensation related to our increased headcount. In addition, in the nine months ended September 30, 2013, a significant portion of our research and development employees were supporting the joint engineering efforts with Microsoft to develop the Hortonworks Data Platform for Windows and, accordingly, the related costs of $3.7 million were included in cost of support subscription revenue.

***General and administrative***

| | Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2013 | 2014 | $ Change | % Change |
| | (in thousands) | | | |
| General and administrative | $15,583 | $17,634 | $2,051 | 13 % |

General and administrative expenses increased $2.1 million in the nine months ended September 30, 2014 compared to the same period in 2013. The increase was primarily due to an increase in employee costs of $7.8 million due to our increased headcount. The increase was partially offset by a legal settlement of $6.0 million which was recorded during the nine months ended September 30, 2013.

***Contribution of acquired technology to the Apache Software Foundation***

| | Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2013 | 2014 | $ Change | % Change |
| | (in thousands) | | | |
| Contribution of acquired technology to the Apache Software Foundation | $ – | $ 3,971 | $3,971 | N/A |

Operating expenses for the contribution of acquired technology to the Apache Software Foundation were $4.0 million during the nine months ended September 30, 2014 compared to zero for the same period in 2013. On August 13, 2014, we contributed the developed technology acquired in

the XA Secure acquisition to the Apache Software Foundation. As a result, we recognized a $4.0 million expense upon contribution, which was equal to the carrying value of the developed technology.

**Comparison of the Eight Months Ended December 31, 2012 and 2013**

***Revenue***

| | Eight Months Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | 2013 | $ Change | % Change | |
| | (in thousands) | | | | |
| Support subscription revenue | $3,643 | $11,415 | $7,772 | 213 | % |
| Professional services revenue | 1,135 | 6,450 | 5,315 | 468 | |
| Total support subscription and professional services revenue | $4,778 | $17,865 | $13,087 | 274 | |

Support subscription revenue increased $7.8 million in the eight months ended December 31, 2013 compared to the same period in 2012. The increase was primarily due to an increase in revenue of $3.8 million from the July 2012 Microsoft contract, under which we began recognizing revenue on a ratable basis in October 2012, and $1.1 million of net revenue ($1.5 million of gross revenue offset by $0.4 million of contra-revenue for the shares issued to an affiliate of AT&T, as described above) related to the AT&T contract, under which we began recognizing revenue on a ratable basis in October 2013. The remaining increase was due to the growth of our customer base from nine support subscription customers to 104 support subscription customers as well as sales of additional subscriptions to our existing customers.

Professional services revenue increased $5.3 million in the eight months ended December 31, 2013 compared to the same period in 2012. The increase was primarily due to the growth of our customer base from nine support subscription customers to 104 support subscription customers as well as sales of additional services to our existing customers.

***Cost of revenue***

| | Eight Months Ended December 31, | | | | |
|---|---|---|---|---|---|
| | 2012 | 2013 | $ Change | % Change | |
| | (in thousands) | | | | |
| Cost of support subscription revenue | $2,880 | $3,720 | $840 | 29 | % |
| Cost of professional services revenue | 3,053 | 9,990 | 6,937 | 227 | |
| Total cost of revenue | $5,933 | $13,710 | $7,777 | 131 | |

Cost of support subscription revenue increased $0.8 million in the eight months ended December 31, 2013 compared to the same period in 2012. The increase was due to increased headcount to support the growth of our customer base as well an increase of $0.3 million in costs for the development of the Hortonworks Data Platform for Windows.

Cost of professional services revenue increased $6.9 million in the eight months ended December 31, 2013 compared to the same period in 2012. The increase was primarily due to a $4.2 million increase in employee compensation related to our increased headcount. In addition,
subcontractor costs increased by $1.6 million and travel costs increased by $0.9 million to support the increase in professional services revenue.

***Sales and marketing***

| | Eight Months Ended December 31, | | | |
|---|---|---|---|---|
| | 2012 | 2013 | $ Change | % Change |
| | (in thousands) | | | |
| Sales and marketing | $8,403 | $21,357 | $12,954 | 154 % |

Sales and marketing expenses increased $13.0 million in the eight months ended December 31, 2013 compared to the same period in 2012. The increase was primarily due to a $9.8 million increase in employee compensation related to our increased headcount. In addition, travel costs increased by $1.3 million due to the increase in headcount and costs related to marketing events increased by $1.1 million.

***Research and development***

| | Eight Months Ended December 31, | | | |
|---|---|---|---|---|
| | 2012 | 2013 | $ Change | % Change |
| | (in thousands) | | | |
| Research and development | $6,768 | $14,621 | $7,853 | 116 % |

Research and development expenses increased $7.9 million in the eight months ended December 31, 2013 compared to the same period in 2012. The increase was primarily due to a $5.9 million increase in employee compensation related to our increased headcount. In addition, subcontractor costs increased by $1.1 million and equipment costs increased by $0.8 million.

***General and administrative***

| | Eight Months Ended December 31, | | | |
|---|---|---|---|---|
| | 2012 | 2013 | $ Change | % Change |
| | (in thousands) | | | |
| General and administrative | $3,487 | $14,368 | $10,881 | 312 % |

General and administrative expenses increased $10.9 million in the eight months ended December 31, 2013 compared to the same period in 2012. The increase was primarily due to a $6.0 million legal settlement and a $1.6 million increase in employee compensation related to our increased headcount. In addition, legal fees increased by $1.7 million primarily related to our legal proceedings and third-party consultant costs increased by $1.0 million as we continued to build out our general and administrative infrastructure.

**Comparison of the Years Ended April 30, 2012 and 2013**

***Revenue***

| | Year Ended April 30, | | | |
|---|---|---|---|---|
| | 2012 | 2013 | $ Change | % Change |
| | (in thousands) | | | |
| Support subscription revenue | $1,276 | $7,739 | $6,463 | 507 % |
| Professional services revenue | 370 | 3,259 | 2,889 | 781 |
| Total support subscription and professional services revenue | $1,646 | $10,998 | $9,352 | 568 |

Support subscription revenue increased $6.5 million in the year ended April 30, 2013 compared to the corresponding period in the prior year. The increase was primarily due to an increase in revenue

of $7.1 million from Microsoft as we began recognizing revenue under the July 2012 Microsoft contract on a ratable basis in October 2012 and the growth of our customer base from two support subscription customers to 25 support subscription customers.

Professional services revenue increased $2.9 million in the year ended April 30, 2013 compared to the corresponding period in the prior year as we provided increased professional services following the general availability of the Hortonworks Data Platform in late 2012 as well as the growth of our customer base from two support subscription customers to 25 support subscription customers.

***Cost of revenue***

| | Year Ended April 30, | | | | |
|---|---|---|---|---|---|
| | 2012 | 2013 | $ Change | % Change | |
| | | (in thousands) | | | |
| Cost of support subscription revenue | $421 | $5,071 | $4,650 | 1,105 | % |
| Cost of professional services revenue | 974 | 5,862 | 4,888 | 502 | |
| Total cost of revenue | $1,395 | $10,933 | $9,538 | 684 | |

Cost of support subscription revenue increased $4.7 million in the year ended April 30, 2013 compared to the corresponding period in the prior year. The increase was due to an additional $3.9 million in costs for the development of the Hortonworks Data Platform for Windows as well as a $0.8 million increase due to employee headcount growth.

Cost of professional services revenue increased $4.9 million in the year ended April 30, 2013 compared to the corresponding period in the prior year. The increase was primarily due to a $3.6 million increase in employee compensation related to our increased headcount and an increase in travel costs of $0.6 million.

***Sales and marketing***

| | Year Ended April 30, | | | | |
|---|---|---|---|---|---|
| | 2012 | 2013 | $ Change | % Change | |
| | | (in thousands) | | | |
| Sales and marketing | $2,589 | $17,187 | $14,598 | 564 | % |

Sales and marketing expenses increased $14.6 million in the year ended April 30, 2013 compared to the corresponding period in the prior year. The increase was primarily due to a $10.6 million increase in employee compensation related to our increased sales and marketing headcount. In addition, travel costs increased by $1.2 million, tradeshow costs increased by $0.8 million, advertising and promotion costs increased by $0.6 million, subscription software and web hosting costs increased by $0.4 million due to our increased marketing efforts and headcount growth, and allocated rent and occupancy costs increased by $0.3 million.

***Research and development***

| | Year Ended April 30, | | | | |
|---|---|---|---|---|---|
| | 2012 | 2013 | $ Change | % Change | |
| | | (in thousands) | | | |
| Research and development | $6,881 | $12,070 | $5,189 | 75 | % |

Research and development expenses increased $5.2 million in the year ended April 30, 2013 compared to the corresponding period in the prior year. The increase was primarily due to a $6.9 million increase in employee compensation related to our increased headcount and a $0.6 million

increase in subcontractor costs. These increases were partially offset by a $3.9 million increase in allocation from research and development costs to cost of support subscription revenue related to employees who were supporting the joint engineering efforts with Microsoft to develop the Hortonworks Data Platform for Windows.

***General and administrative***

| | Year Ended April 30, | | | |
|---|---|---|---|---|
| | 2012 | 2013 | $ Change | % Change |
| | | (in thousands) | | |
| General and administrative | $2,384 | $7,598 | $5,214 | 219 % |

General and administrative expenses increased $5.2 million in the year ended April 30, 2013 compared to the corresponding period in the prior year. The increase resulted from an increase in employee costs of $1.9 million, legal fees of $2.1 million primarily related to our legal proceedings and third-party consultant costs of $0.6 million.

## Quarterly Operating Results

The following unaudited quarterly statements of operations data for each of the seven quarters in the period ended September 30, 2014 have been prepared on a basis consistent with our annual audited consolidated financial statements and include, in our opinion, all normal recurring adjustments necessary for the fair statement of the financial information contained in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future and the results in the periods presented are not necessarily indicative of results to be expected for any other period. The following quarterly financial data should be read in conjunction with our audited consolidated financial statements and the related notes included elsewhere in this prospectus.

| | Three Months Ended, | | | | | | |
|---|---|---|---|---|---|---|---|
| | Mar. 31, 2013 | Jun. 30, 2013 | Sep. 30, 2013 | Dec. 31, 2013 | Mar. 31, 2014 | Jun. 30, 2014 | Sep. 30, 2014 |
| Support subscription and professional services revenue: | | | | | | | |
| Support subscription | $3,028 | $3,353 | $3,831 | $5,250 | $4,289 | $6,765 | $8,136 |
| Professional services | 1,636 | 1,761 | 2,329 | 2,897 | 4,248 | 5,322 | 4,628 |
| Total support subscription and professional services revenue | 4,664 | 5,114 | 6,160 | 8,147 | 8,537 | 12,087 | 12,764 |
| Cost of revenue: | | | | | | | |
| Support subscription | 1,688 | 1,605 | 1,702 | 917 | 589 | 775 | 1,511 |
| Professional services | 2,014 | 2,910 | 3,569 | 4,304 | 5,311 | 5,790 | 8,024 |
| Total cost of revenue | 3,702 | 4,515 | 5,271 | 5,221 | 5,900 | 6,565 | 9,535 |
| Gross profit (loss) | 962 | 599 | 889 | 2,926 | 2,637 | 5,522 | 3,229 |
| Operating expenses: | | | | | | | |
| Sales and marketing | 6,564 | 7,287 | 7,733 | 8,557 | 10,193 | 14,869 | 19,491 |
| Research and development | 3,845 | 4,751 | 5,156 | 6,171 | 7,793 | 8,366 | 10,111 |
| General and administrative | 3,134 | 9,009 | 3,440 | 2,896 | 4,933 | 5,676 | 7,025 |
| Contribution of acquired technology to the Apache Software Foundation | – | – | – | – | – | – | 3,971 |
| Total operating expenses | 13,543 | 21,047 | 16,329 | 17,624 | 22,919 | 28,911 | 40,598 |
| Loss from operations | (12,581) | (20,448) | (15,440) | (14,698) | (20,282) | (23,389) | (37,369) |
| Interest and other income | 44 | 44 | 71 | 51 | 64 | 112 | 205 |
| Other expense | (7) | (19) | (30) | (77) | (34) | (4,931) | (2,304) |
| Loss before income tax expense (benefit) | (12,544) | (20,423) | (15,399) | (14,724) | (20,252) | (28,208) | (39,468) |
| Income tax expense (benefit) | 3 | 13 | 18 | 15 | 21 | (1,251) | 34 |
| Net loss | $(12,547) | $(20,436) | $(15,417) | $(14,739) | $(20,273) | $(26,957) | $(39,502) |

***Quarterly Trends in Revenue***

Our quarterly revenue increased sequentially for the seven quarters presented, primarily due to the increase in support subscription customers each quarter as well as additional sales of support subscription and professional services to our existing customers. The largest contributor to the increases in quarterly revenue for the three months ended December 31, 2013, March 31, 2014, June 30, 2014 and September 30, 2014 was revenue from Microsoft, comprising $2.6 million, $2.5 million, $2.5 million and $2.5 million of support subscription revenue, respectively.

***Quarterly Operating Expenses Trends***

Operating expenses are primarily driven by headcount and headcount-related expenses, including share-based compensation expenses, and by sales and marketing initiatives. Our quarterly operating expenses generally increased sequentially for the seven quarters presented, primarily due to increase in headcount and our growth. The three months ended June 30, 2013 included a legal settlement in general and administrative expenses of $6.0 million that caused our expenses to decrease from the three months ended June 30, 2013 to the three months ended September 30, 2013. Refer to Note 6 in the notes to our consolidated financial statements for further discussion regarding the nature of the legal settlement.

## Liquidity and Capital Resources

As of September 30, 2014, our principal sources of liquidity were cash and cash equivalents and short-term investments totaling $111.6 million, which were held for working capital purposes. Our cash and cash equivalents are comprised primarily of money market funds. Our short-term investments are comprised primarily of commercial paper and corporate bonds.

The following table summarizes our cash flows for the periods indicated:

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | | | (in thousands) | | | |
| Cash provided by (used in) operating activities | $(853) | $(31,968) | $(15,236) | $(29,833) | $(35,121) | $(54,970) |
| Cash provided by (used in) investing activities | (25,602) | 13,152 | 6,979 | (3,863) | 3,432 | (76,518) |
| Cash provided by (used in) financing activities | 53,848 | 121 | 43 | 50,302 | 50,375 | 148,917 |

To date, we have financed our operations primarily through private placements of preferred stock and cash flow from operations. We believe that our existing cash and cash equivalents balance, together with cash generated from operations and our $50.0 million Series D preferred stock issuance in July 2014, will be sufficient to meet our working capital and capital expenditure requirements for at least the next 12 months.

Our expected future capital requirements may depend on many factors including customer retention and expansion, the timing and extent of spending on platform development efforts, the expansion of sales, marketing and product management activities and ongoing investments to support the growth of our business in the United States and internationally. We may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies and intellectual property rights. We may be required to seek additional equity or debt financing in order to meet these future capital requirements. In the event that additional financing is required from outside sources, we may not be able to raise it on terms that are acceptable to us or at all. If we are unable to raise additional capital when desired, our business, results of operations and financial condition would be adversely affected.

***Operating Activities***

Our largest source of operating cash inflows is from sales of our support subscriptions and professional services. Our primary uses of cash from operating activities are for personnel costs, which are allocated across cost of sales, sales and marketing, research and development and general and administrative costs.

Operating activities for the nine months ended September 30, 2014 used $55.0 million of cash compared to $35.1 million for the nine months ended September 30, 2013. The increase was primarily driven by our net loss of $86.7 million for the nine months ended September 30, 2014 compared to a net loss of $48.4 million for the nine months ended September 30, 2013. Additionally, accounts receivable increased by $8.6 million during the nine months ended September 30, 2014 based on the timing of payments received from customers and the significant growth of our subscription customer base. These factors were partially offset by an increase in deferred revenue of $19.8 million for the nine months ended September 30, 2014 due to the increase in our support subscription customer base coupled with our ratable revenue recognition as a result of our lack of VSOE for support subscription revenue.

Operating activities for the eight months ended December 31, 2013 used $29.8 million of cash compared to $15.2 million for the eight months ended December 31, 2012. The increase was primarily driven by our net loss of $46.2 million for the eight months ended December 31, 2013 compared to a net loss of $19.7 million for the eight months ended December 31, 2012. Additionally, accounts receivable increased by $5.7 million during the eight months ended December 31, 2013 based on the timing of payments received from customers and the significant growth of our subscription customer base. These factors were partially offset by an increase in deferred revenue of $11.2 million for the eight months ended December 31, 2013 due to the increase in our support subscription customer base compared to the prior period coupled with our ratable revenue recognition as a result of our lack of VSOE for support subscription revenue.

Operating activities for the year ended April 30, 2013 used $32.0 million of cash compared to $0.9 million for the year ended April 30, 2012. The increase was primarily driven by our net loss of $36.6 million for the year ended April 30, 2013 compared to a net loss of $11.5 million for the year ended April 30, 2012. In addition, accounts receivable increased by $5.9 million for the year ended April 30, 2013 based on the timing of payments received from customers and the significant growth of our support subscription customer base compared to the prior year. These factors were partially offset by an increase in deferred revenue of $6.6 million for the year ended April 30, 2013 due to the increase in our support subscription customer base compared to the prior period coupled with our ratable revenue recognition as a result of our lack of VSOE for support subscription revenue.

***Investing Activities***

Investing activities for the nine months ended September 30, 2014 used $76.5 million of cash compared to $3.4 million generated for the nine months ended September 30, 2013. The increase in cash used was primarily driven by an increase in purchases of investments of $75.0 million for the nine months ended September 30, 2014 compared to the nine months ended September 30, 2013. This was partially offset by an increase in maturity of investments of $0.9 million for the nine months ended September 30, 2014.

Investing activities for the eight months ended December 31, 2013 used $3.9 million of cash compared to cash provided by investing activities of $7.0 million for the eight months ended December 31, 2012. The decrease was primarily driven by an $11.3 million decrease in the maturity of short-term investments for the period ended December 31, 2013 compared to the prior period.

Investing activities for the year ended April 30, 2013 generated $13.2 million of cash compared to $25.6 million used for the year ended April 30, 2012. The increase was primarily driven by an $11.5 million decrease in investments purchased and $27.9 million in proceeds from the sale and maturity of investments compared to the prior year.

***Financing Activities***

Financing activities for the nine months ended September 30, 2014 generated $148.9 million of cash compared to $50.4 million for the nine months ended September 30, 2013. The increase was primarily driven by sale of the Company' s Series D preferred stock of $149.5 million during the nine months ended September 30, 2014.

Financing activities for the eight months ended December 31, 2013 generated $50.3 million of cash compared to $43 thousand for the eight months ended December 31, 2012. The increase was primarily driven by sale of the Company' s Series C preferred stock of $49.8 million during the period ended December 31, 2013.

Financing activities for the year ended April 30, 2013 generated $0.1 million of cash compared to $53.8 million for the year ended April 30, 2012. The decrease was primarily driven by the $53.0 million issuance of preferred stock in the prior year.

## Deferred Revenue and Backlog

Our deferred revenue, which consists of billed but unrecognized revenue, was $47.7 million as of September 30, 2014.

Our total backlog, which we define as including both cancellable and non-cancellable portions of our customer agreements that we have not yet billed, was $17.3 million as of September 30, 2014. The timing of our invoices to our customers is a negotiated term and thus varies among our support subscription agreements. For multiple-year agreements, it is common for us to invoice an initial amount at contract signing followed by subsequent annual invoices. At any point in the contract term, there can be amounts that we have not yet been contractually able to invoice. Until such time as these amounts are invoiced, we do not recognize them as revenue, deferred revenue or elsewhere in our consolidated financial statements. The change in backlog that results from changes in the average non-cancelable term of our support subscription arrangements may not be an indicator of the likelihood of renewal or expected future revenue, and therefore we do not utilize backlog as a key management metric internally and do not believe that it is a meaningful measurement of our future revenue.

## Contractual Obligations and Other Commitments

The following table summarizes our contractual obligations as of December 31, 2013:

| | Payments Due by Period | | | | |
|---|---|---|---|---|---|
| Contractual Obligations: | Less Than 1 Year | 1 to 3 Years | 3 to 5 Years | More Than 5 Years | Total |
| | | | (in thousands) | | |
| Operating leases(1) | $ 2,299 | $4,462 | $ – | $ – | $6,761 |
| Total contractual obligations | $ 2,299 | $4,462 | $ – | $ – | $6,761 |

(1) Operating leases consist of total future minimum rent payments under non-cancelable operating lease agreements.

## Off-Balance Sheet Arrangements

Through December 31, 2013, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

## Quantitative and Qualitative Disclosures about Market Risk

Our primary exposure to market risk relates to interest rate changes. We had cash and cash equivalents and short-term investments totaling $38.5 million as of December 31, 2013 and $111.6 million as of September 30, 2014. Cash and cash equivalents are comprised primarily of money market funds. Our short-term investments are primarily comprised of corporate bonds and commercial paper. The cash and cash equivalents are held for working capital purposes. Our investments are made for capital preservation purposes. We do not enter into investments for trading or speculative purposes. Because of the short-term nature of the instruments in our portfolio, a sudden change in market interest rates would not be expected to have a material impact on our consolidated financial statements.

## Critical Accounting Polices and Estimates

We prepare our consolidated financial statements in accordance with GAAP. In the preparation of these consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses and related disclosures. To the extent that there are material differences between these estimates and actual results, our financial condition or operating results would be affected. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis. We refer to accounting estimates of this type as critical accounting policies and estimates, which we discuss below.

### *Revenue Recognition*

Apache Hadoop is a freely available open source based software platform. While it has emerged as an enabling technology for the modern data center architecture, there are limitations related to the traditional Hadoop offering that may inhibit broad adoption by enterprises. Our software development efforts are thus focused on creating an enterprise-grade Hadoop platform by working in concert with the Apache community to develop the Hortonworks Data Platform (HDP).

HDP is available under an Apache open source license. Open source software is an alternative to proprietary software and represents a different model for the development and licensing of commercial software code than that typically used for proprietary software. Because open source software code is generally freely shared, we typically do not generate any direct revenue from our software development activities.

We generate the predominant amount of our revenue through support (support subscription) and consulting and training services (professional services) arrangements with our enterprise customers. We provide telephone support, security updates, bug fixes, functionality enhancements and upgrades to the technology and new versions of the software, if and when available. Our professional services provide assistance in the implementation process and training related activities.

Under our support subscription and professional services arrangements, revenue is recognized when (i) persuasive evidence of an arrangement exists; (ii) the services have been delivered; (iii) the arrangement fee is fixed or determinable; and (iv) collectability is reasonably assured.

***Support subscription revenue***

In single-element arrangements, support subscription fees are recognized on a ratable basis over the support subscription term. Our support subscription arrangements do not contain refund provisions for fees earned related to services performed.

***Professional services revenue***

Professional services revenue is derived from customer fees for consulting services engagements and training services. Our consulting services are provided primarily on a time and materials basis and, to a lesser extent, a fixed fee basis, and training services are priced based on attendance. Revenue from professional services, when such services are sold in single-element arrangements, is recognized as the services are performed.

***Multiple-element arrangements***

Our multiple-element arrangements include support subscription combined with professional services. We have not yet established vendor-specific objective evidence of fair value (VSOE) for support subscription, and we recognize revenue on a ratable basis over the period beginning when both the support subscription and professional services have commenced, and ending at the conclusion of the support subscription or professional services period, whichever is longer. Under our multiple element arrangements, the support subscription element generally has the longest service period and the professional services element is performed during the earlier part of the support subscription period.

Our agreements with customers often include multiple support subscription and/or professional service elements, and these elements are sometimes included in separate contracts. We consider an entire customer arrangement to determine if separate contracts should be considered linked arrangements for the purposes of revenue recognition.

Revenue recognition requires judgment, including whether a software arrangement includes multiple elements and, if so, whether VSOE exists for those elements. A portion of revenue may be recorded as unearned due to undelivered elements. Changes to the elements in a software arrangement, the ability to identify the VSOE for those elements and the fair value of the respective elements could materially impact the amount of earned and unearned revenue in a given period.

***Revenue from Strategic Relationships and Reseller Arrangements***

We have strategic relationships and reseller arrangements with third parties whereby our support subscription is bundled with those third parties' products and services. Under these arrangements, we are not the primary obligor for what is ultimately sold by the third parties to their end customers. The amount recognized as revenue represents the amount due to us from the third parties.

***Equity instruments issued to customers***

We have entered into warrant and share purchase agreements with certain customers. For such arrangements, the fair value of the underlying securities is recognized as contra-revenue to the extent cumulative revenue from the customer is available to offset the fair value of the security on the measurement date. If cumulative revenue from the customer is less than the fair value of the security, the excess is recorded as cost of sales. See additional discussion at Notes 8 and 16 to our consolidated financial statements for further discussion.

***Stock-Based Compensation***

We recognize compensation costs related to stock options granted to employees based on the estimated fair value of the awards on the date of grant, net of estimated forfeitures. We estimate the grant date fair value, and the resulting stock-based compensation expense, using the Black-Scholes option-pricing model. The grant date fair value of the stock-based awards is recognized on a straight-line basis over the requisite service period, which is the vesting period of the respective awards.

The Black-Scholes option-pricing model requires the use of highly subjective and complex assumptions, including the expected term and the price volatility of the underlying stock, which determine the fair value of stock-based awards. These assumptions include:

*Expected term*. We estimate the expected term for stock options using the simplified method due to the lack of historical exercise activity for us. The simplified method calculates the expected term as the midpoint between the vesting date and the contractual expiration date of the award.

*Expected volatility*. Since we do not have a trading history of our common stock, the expected volatility was derived from the average historical stock volatilities of several unrelated public companies within our industry that we consider to be comparable to our business over a period equivalent to the expected term of the stock option grants.

*Risk-free interest rate*. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for the expected term of the stock-based award.

*Expected dividend*. The expected dividend is assumed to be zero as we have never paid dividends and have no current plans to pay any dividends on our common stock.

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

We will continue to use judgment in evaluating the expected volatility, expected terms and forfeiture rates utilized for our stock-based compensation calculations on a prospective basis. As we continue to accumulate additional data related to our common stock, we may have refinements to the estimates of our expected volatility, expected terms and forfeiture rates, which could impact our future stock-based compensation expense.

The determination of the grant date fair value of options using an option-pricing model is affected by our estimated common stock fair value, as well as assumptions regarding a number of other complex and subjective variables. Historically, for all periods prior to this initial public offering, the fair values of the shares of common stock underlying our share-based awards were estimated on each grant date by our board of directors. In order to determine the fair value of our common stock underlying option grants, our board of directors considered, among other things, contemporaneous valuations of our common stock prepared by an unrelated third-party valuation firm in accordance with the guidance provide by the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. Given the absence of a public trading market of our common stock, our board of directors exercised reasonable judgment

and considered a number of other objective and subjective factors to determine the best estimate of the fair value of our common stock, including; issuances of preferred stock and the rights, preferences and privileges of our preferred stock relative to those of our common stock; and the likelihood of achieving a liquidity event, such as an initial public offering or sale given prevailing market conditions.

In determining a fair value for our common stock, we estimated the enterprise value of our business using the market approach. The market approach estimates the fair value of a company by applying market multiples of comparable publicly-traded companies in the same industry or similar lines of business. The market multiples are based on key metrics implied by the enterprise values of comparable publicly-traded companies. The estimated enterprise value is then allocated to the common stock using a combination of the Probability Weighted Expected Return and the Option Pricing Methods.

For valuations after the completion of this offering, our board of directors will determine the fair value of each share of underlying common stock based on the closing price of our common stock in the stock market, as reported on the date of grant.

***Loss contingencies***

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

***Recently Issued and Adopted Accounting Pronouncements***

Under the JOBS Act, we meet the definition of an ‘‘emerging growth company.’’ We have irrevocably elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

On May 28, 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for us on January 1, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. We are evaluating the effect that ASU 2014-09 will have on our consolidated financial statements and related disclosures. We have not yet selected a transition method nor have we determined the effect of the standard on our ongoing financial reporting.

## BUSINESS

### Company Overview

Our mission is to establish Hadoop as the foundational technology of the modern enterprise data architecture.

We seek to advance the market adoption of Hadoop and provide enterprises with a new data management solution that enables them to harness the power of big data to transform their businesses through more effective and efficient management of their valuable data assets. A Hadoop cluster combines commodity servers with local storage and an open source software distribution to create a reliable distributed compute and storage platform for large data sets scalable up to PBs, with thousands of servers or nodes.

Our solution is an enterprise-grade data management platform built on a unique distribution of Apache Hadoop and powered by YARN. We continuously drive innovation in the Apache community with a mission to further Hadoop' s development for enterprises of all types and sizes. Our platform deeply integrates with key data center technologies to enable best-of-breed data architectures and enables our customers to collect, store, process and analyze increasing amounts of existing and new data types in a way that augments rather than replaces their existing data center infrastructure.

We employ a differentiated approach in that we are committed to serving the Apache Software Foundation open source ecosystem and to sharing all of our product developments with the open source community. We support the community for open source Hadoop, and employ a large number of core committers to the various Enterprise Grade Hadoop projects. We believe that keeping our business model free from architecture design conflicts that could limit the ultimate success of our customers in leveraging the benefits of Hadoop at scale is a significant competitive advantage.

We are recognized as a leader in Hadoop by Forrester Research based on the strengths of our current offering and our strategy, and we have invested to enhance our position through the introduction of our Enterprise Grade Hadoop platform. Our Enterprise Grade Hadoop platform addresses modern data requirements and enables enterprises to significantly increase their data under management and their business productivity with this data.

We were founded in 2011 when our early senior management team, led by our current Chief Executive Officer Rob Bearden, partnered with a core team of Hadoop developers and engineers from Yahoo! with a goal of expanding upon the early technology developed by Yahoo! in Hadoop, the initial rights to which we obtained from Yahoo!. During 2012 we launched our Enterprise Grade Hadoop platform, the Hortonworks Data Platform for which we provide support subscriptions and professional services. As of September 30, 2014, we had 233 support subscription customers (which we generally define as an entity with an active support subscription) and 292 total customers, including professional services customers, across a broad array of company sizes and industries. We have entered into contracts to establish strategic relationships with Hewlett-Packard Company, Microsoft Corporation, Rackspace Hosting, Inc., Red Hat, Inc., SAP AG, Teradata Corporation and Yahoo! Inc. focused on tightly integrated development, marketing and support strategies to maximize the success of our solutions. Consistent with our open source approach, we generally make the Hortonworks Data Platform available free of charge and derive the predominant amount of our revenue from customer fees from support subscription offerings and professional services.

We have achieved significant growth in recent periods. For the years ended April 30, 2012 and 2013 our revenue was $1.6 million and $11.0 million, respectively. Effective May 1, 2013, we changed our fiscal year end from April 30 to December 31. For the eight months ended December 31, 2012 and

2013, our revenue was $4.8 million and $17.9 million, respectively. For the nine months ended September 30, 2013 and 2014, our revenue was $15.9 million and $33.4 million, respectively. We experienced net losses of $11.5 million and $36.6 million for the years ended April 30, 2012 and 2013, respectively, $19.7 million and $46.2 million for the eight months ended December 31, 2012 and 2013, respectively, $48.4 million and $86.7 million for the nine months ended September 30, 2013 and 2014, respectively, and $101.5 million for the twelve months ended September 30, 2014.

## Industry Overview

Major technology innovations such as social media, mobile and cloud computing, new web-based applications, such as SaaS and the Internet of Things, in which devices with sensors and actuators transmit increasing amounts of data automatically, have created an always-on, constantly connected society that is putting increasing pressure on enterprise data center infrastructure. Enterprises are facing rapidly escalating costs and complexity associated with adjusting to these new realities and managing the resulting data proliferation in their data centers. Enterprises are struggling to manage these pressures efficiently while seeking to enable more proactive and interactive business applications that harness and leverage the power of big data.

***The increase in volume, velocity and variety of data is creating significant challenges to enterprise data management resources and is disrupting the way enterprises design their data infrastructure.***

International Data Corporation, or IDC, estimates that data will grow exponentially in the next decade, from 2.8 zettabytes, or ZB, of data in 2012 to 40 ZBs by 2020. This increase in data volume is forcing enterprises to upgrade their data center architecture and better equip themselves both to store and to extract value from vast amounts of data. According to IDG Enterprise' s Big Data Survey, by late 2014, 31% of enterprises with annual revenues of $1 billion or more expect to manage more than one PB of data. In comparison, as of March 2014 the Library of Congress had collected only 525 TBs of web archive data, equal to approximately half a petabyte and two million times smaller than a zettabyte.

Enterprises are not only inundated with increasing amounts of data but also struggle with managing more types of data that are less easily managed by traditional data center architectures. Historically, enterprises focused primarily on managing data from dedicated and disparate data center systems, including enterprise resource planning, or ERP, and customer relationship management, or CRM, systems. To store and process these types of data, enterprises were able to utilize relational database management systems optimized for analyzing preselected, structured data stored within isolated silos.

The increasing variety of data, including new unstructured data types such as clickstream data, geo-location data, sensor and machine data, sentiment data, server log data and other data generated by emails, documents and other file types, is fueling the exponential growth in the aggregate amount of data that has the potential to be captured and managed by the enterprise. These massive quantities of new, context-rich data have historically not been captured, managed or analyzed by the enterprise since traditional data center architectures were designed for smaller volumes of primarily structured data types, and cannot effectively handle the increases in volume, velocity and variety of data. Even recent innovations in database technologies that were purpose-built for specific use cases, including a variety of new database approaches, such as non-relational databases referred to as NoSQL approaches, fail to meet today' s increasing data management requirements.

In addition, enterprises want to do more with data by extracting value from the increasing quantities and varieties of context-rich data to create more intelligent applications and to increase business productivity. According to Forrester Research, most firms estimate that they are analyzing

only 12% of the data they have under management. The unanalyzed 88% represents a missed opportunity for additional insight; however, traditional data center architectures restrict enterprises' ability to capture and process new types of data and bring this data under management.

Enterprises are pursuing deeper insights and competitive advantage by augmenting structured data management with new types of unstructured data. Combining structured and unstructured data types provides additional context and intelligence from data and enables developers to unlock a virtually unlimited set of use cases across all industries. For example, harnessing the power of this unanalyzed data has already made possible many new revenue generating applications including the ability to analyze brand sentiment, improve fraud protection, leverage genomic data for medical trials and pursue website optimization. We believe that enterprises are realizing the potential opportunities that can be unlocked with this data. For example, according to a 2013 research survey by Gartner, 64% of enterprises were investing or planning to invest in big data technology in 2013, up from 58% in 2012.

***The traditional data center architecture has not enabled enterprises to solve the requirements associated with managing the increase in volume, velocity and variety of their data or leveraging their data to create more intelligent applications that enable business transformation.***

**Traditional data warehouses are constrained by structure and capacity limitations.** Traditional data warehouse solutions such as massive parallel processing, or MPP, databases are optimized for structured data stored in relational databases. These solutions store preselected types of data in a predetermined, specific form, or schema, and are unable to natively process unstructured data, restricting their ability to create insight by using both structured and unstructured data sets. This process of constraining the data to a specific schema, or schema-on-write, structurally limits the types of data that can be stored and used in traditional data architectures to mostly structured datasets. Additionally, traditional data warehouse solutions cannot scale in a cost-effective manner with the growth in data volumes, which effectively limits the analytic capacity of such databases.

**Traditional software analytic tools as well as next generation business intelligence tools are not optimized to natively process and analyze new types of data.** Traditional and next generation software analytic tools were designed to be deployed on top of relational databases and provide analytics reporting and virtualization. These analytic tools are dependent on underlying relational databases for data access, and are optimized for providing intelligence from pre-selected data that has been prepared for specific analyses. However, this approach fails to provide visibility into data that has not been preselected, or that sits outside relational databases.

**High-end storage arrays used for database workloads are prohibitively expensive for enterprises to scale.** While high-end storage arrays are designed to store high volumes that can be provisioned for data workloads, for enterprise data warehouse systems, each TB of data stored can cost in the range of $40,000 to $100,000, making managing the immense and increasing volume of data economically infeasible.

**Cloud approaches are constrained by performance and compliance limitations.** Recent innovations in cloud computing have helped increase business agility and workload efficiency. While big data processing operates optimally when compute and storage are co-located, some cloud computing architectures encourage a decoupling of compute and storage in order to optimize delivery of computing power while minimizing the cost of storage. This means that big data processing must retrieve data from cloud storage separately for any computational analysis, leading to latency, throughput and other scalability challenges. Moreover, corporate and government regulations can inhibit the kinds of datasets enterprises are willing or able to store in the cloud.

As a result of these limitations, enterprises are seeking new technologies to collect, store and access higher volumes, velocity and variety of data in a cost-effective manner, and to gain more actionable insight from their increasingly complex and growing data stores. Enterprises need to upgrade their data center architectures to enable them to bring large volumes of data under management and to process and analyze multiple types of data in innovative ways.

***Apache Hadoop has emerged as a robust, open source technology that empowers enterprises to solve the growing problems associated with big data.***

Hadoop was originally developed in the early 2000s. Partnering with the Apache Hadoop community, Yahoo! led major innovations in the technology to help tackle big data challenges and operate its business at scale. The traditional Hadoop (i.e., Hadoop Version 1.x) offering is largely a batch system that enables users to manage data at scale, but requires siloed computing clusters by application with pre-selected data sets, thus limiting accessibility, interoperability and overall value. Incremental attempts to improve traditional Hadoop focused on bolting on data warehousing and analytics functionality as well as basic levels of security and operations management, which were available through a mix of separate open source projects or commercially available software. This innovation demonstrated the early promise of Hadoop in enabling enterprises to address their big data requirements, but traditional Hadoop still lacks the breadth of functionality and resiliency that would enable it to be deployed more broadly by enterprises in production use cases.

***YARN enhances Hadoop to enable enterprise functionality required for a modern data center architecture that meets today's increasing enterprise data needs.***

To improve on this early functionality, Hortonworks engineers created the initial architecture for YARN and developed the technology for it within the Apache Hadoop community, leading to the release of YARN in October 2013. This technology advancement transformed Hadoop (i.e., Hadoop Version 2.x) into a platform that allows for multiple ways of interacting with data, including interactive SQL processing, real-time processing and online data processing, along with its traditional batch data processing. Several early vendors of traditional Hadoop have not made the transition from the bolt on architecture of traditional Hadoop to fully embracing YARN in their respective offerings. YARN is a significant innovation in that it eliminates the need to silo data sets and reduces total cost of ownership by enabling a single cluster to store a wide range of shared data sets on which mixed workloads spanning batch, interactive and real-time use cases can simultaneously process with predictable service levels. YARN is designed to serve as a common data operating system that enables the Hadoop ecosystem to natively integrate applications and leverage existing technologies and skills while extending consistent security, governance and operations across the platform. With these capabilities, YARN can facilitate mainstream Hadoop adoption by enterprises of all types and sizes for production use cases at scale.

***Enterprises require a modern data center architecture built on an enterprise-grade Hadoop platform powered by YARN to meet today's increasing enterprise big data needs.***

Enterprises are facing an increasing need to adopt big data strategies that will help them modernize their data center architectures, control costs and transform their businesses to succeed in an increasingly digital world. Inherent in this shift is a move from the post-transaction, reactive analysis of subsets of data to a new model of pre-transaction, interactive insights across a comprehensive and integrated dataset. We believe that organizations that successfully adopt a big data strategy will succeed, whereas organizations that fail to implement modern data architectures will struggle to sustain competitive advantages.

Although Hadoop has emerged as a critical enabling technology of the modern data center architecture, its batch processing roots and relative immaturity with respect to key capabilities such as

high availability, management and security limit how broadly traditional Hadoop can be deployed by most enterprises.

We believe that an enterprise-grade Hadoop solution must meet certain requirements to create and accelerate widespread market adoption and enable the modern data center architecture. We refer to this set of requirements as Enterprise Grade Hadoop, and believe they include:

**Capability to centrally manage new and existing data types.** Enterprises must be able to create an integrated repository of data from internal and external data sources that includes both structured and unstructured data, or a data lake, and provide broad and flexible access for processing engines.

**Ability to run multiple applications on a common data architecture.** Users must be able to create and deploy applications on a common data architecture that can access and interact with data in a wide variety of ways, spanning batch, interactive and real-time use cases.

**High availability and enterprise-grade security, management and governance.** Enterprises need a common platform to provide access to all data simultaneously and extend consistent enforcement of policy across data security, data governance and operational requirements such as provisioning, monitoring and high availability.

**Interoperability with new and existing data center infrastructure investments.** IT departments benefit from flexibility in designing a modern data architecture that leverages the best features of a traditional data center ecosystem. The platform must integrate with new and existing storage and computing systems in addition to databases, data warehouse and business intelligence software to create actionable insight that leverages existing investments and skills.

**Stability and dependability.** Enterprises require a platform that integrates the latest innovations from the open source community into a thoroughly tested, resilient offering that has been certified for enterprise deployment.

**Scalability and affordability.** Enterprises must be able to scale compute and storage capacity in a cost-efficient manner, including provisioning, managing, monitoring and operating Hadoop clusters at scale and capturing new data types under management.

**Predictive and real-time analytic capability.** Enterprises are using proactive customer interaction and predictive analytics to help transform their business. The platform must be able to provide the compute capability necessary to perform the advanced statistical and machine learning algorithms required to explore and analyze all types and volumes of data and discover new patterns.

**Deployment flexibility.** Enterprises benefit from a native cross-platform approach that has the flexibility to run on Windows or Linux and that can be deployed on premise or across public and private cloud environments simultaneously.

We believe that only with a platform that addresses each of these needs will enterprises be able to transform their businesses by adopting a modern data architecture that solves their increasing data management requirements. Enterprise Grade Hadoop is fundamental to this architectural shift and can turn what was traditionally viewed as a cost center into a revenue generator by enabling new business applications that harness the power of big data.

## Our Opportunity

Big data and analytics initiatives are a key driver of infrastructure spending as the transformation to data-driven enterprises continues. IDC projects that the Worldwide Big Data Technology and Services market, which spans hardware, software and services, will reach $32 billion by 2017. Hadoop

for many is synonymous with big data since it plays a foundational role in powering modern enterprise data architectures. According to Allied Market Research, the global Hadoop market spanning hardware, software and services is expected to grow from $2.0 billion in 2013 to $50.2 billion by 2020, representing a CAGR of 58%. While still in early phases of adoption, Hadoop has already generated tremendous value by enabling enterprises to cost effectively address the growth of their data, and to do more with this data.

We believe that Enterprise Grade Hadoop brings significant additional value to the entire data center ecosystem far beyond traditional Hadoop' s value proposition for batch processing. Enterprise Grade Hadoop' s ability to store, interactively access and gain value from mass quantities and varieties of data has the potential to enable substantial growth in a variety of established markets. For example, as more data is brought under management, Enterprise Grade Hadoop is able to multiply the value of new and existing business intelligence applications and enterprise data warehouse deployments. These capabilities allow Enterprise Grade Hadoop to create its own growing market, while also creating the potential for existing large markets to grow even larger, thus empowering our ecosystem to promote the value of Enterprise Grade Hadoop.

## Our Solution

We are a leading provider and distributor of an Enterprise Grade Hadoop solution that is enabling a re-platforming of data center architectures to harness the power of big data for the enterprise. Our solution is an enterprise-grade data management platform that is built on Apache Hadoop and powered by YARN, and we continuously drive innovation within the Apache community with a mission to further Hadoop' s development for the enterprise.

Our Enterprise Grade Hadoop solution enables our customers to capture, store, process and analyze increasing amounts of existing and new data types without the need to replace their existing data center infrastructure. Our differentiated approach accelerates the market adoption of Hadoop. Our business model is free from architecture design conflicts that could otherwise limit the ultimate success of our customers in leveraging the benefits of this critical technology at scale.

We provide support subscription offerings and related professional services around the Hortonworks Data Platform, which is our open source software distribution of Apache Hadoop and associated projects. We developed the Hortonworks Data Platform to address the limitations of traditional Hadoop. The Hortonworks Data Platform provides the following benefits:

**Maximizes data access to drive business transformation.** Our solution integrates all data types into data lakes that allow our customers to increase the scope and quality of their data management. Our solution breaks down traditional data silos and allows enterprises to store and process all of their data in native formats, or schema-on-read, and enables the combination of multiple context-rich data types to solve the limitations of the traditional data architectures. Our solution not only drives down data management costs but also enables business transformation through the creation of new applications that leverage the power of big data to drive richer customer engagement and new revenue opportunities.

**Common data operating system that powers big data applications.** The Hortonworks Data Platform leverages the benefits of YARN to create a common data operating system that natively integrates with Hadoop. Our solution enables new and existing applications to integrate seamlessly with Hadoop. It does so by supporting all big data scenarios–from batch to interactive to real-time and streaming.

**Purpose-built for the enterprise.** We engineer and certify Apache Hadoop with a focus on extending traditional Hadoop with the robust capabilities required by the enterprise such as high availability, governance, security, provisioning, management and performance monitoring.

**Rigorously tested and hardened for deployment at scale.** We certify and incorporate the most recent innovations from the Apache Hadoop community into the Hortonworks Data Platform releases. Our strategic relationships with leading cloud scale companies enable us to test and harden our platform in the most demanding production environments, assuring high quality and resilient releases at scale. We deliver value to support subscription customers by reducing implementation risk, accelerating time-to-value and helping support subscription customers scale more rapidly.

**Enables best-of-breed data center architectures.** We designed our data management platform to be fully open and integrate with new and existing investments within the data center infrastructure. Our solution enables our customers to design best-of-breed data center architectures that are optimized for their needs and that leverage existing skills, tools and processes. We have strong relationships with established system integration partners, including: Accenture, CSC, Think Big Analytics and Wipro. Our solution is designed to work with new big data technologies that are complementary to Hadoop.

**Compelling return on investment.** Our solution enables our customers to modernize their data architectures and optimize their investments supporting their big data strategy. Hadoop generates substantial long-term value as data under management increases. Our solution enables our customers to leverage existing investments and increase use of commodity hardware. For example, the annual cost of managing a raw TB of data with the Hortonworks Data Platform and commodity hardware can be 10 to 100 times less expensive than using high-end storage arrays. Moreover, traditional data center approaches do not enable the breadth of big data applications that are possible with our solution, and that present significant new revenue opportunities.

**Real-time, predictive and interactive analytics.** Our solution enables our customers to move from post-transaction, reactive analysis of subsets of data stored in silos to a world of pre-transaction, interactive insights across all data with the potential to enhance competitive advantages and transform businesses. Our platform provides a flexible and robust solution capable of supporting the advanced statistical and machine learning algorithms required to explore and analyze both structured and unstructured data.

**Superior deployment flexibility.** Our focus on deep integration with existing data center technologies enables the leaders in the data center to easily adapt and extend their platforms. We designed our solution to support a wide range of deployments. We are differentiated in our ability to natively support deployments across Linux, Windows, hardware appliance and public and private cloud platforms simultaneously.

## Our Differentiated Approach

We are committed to serving the Apache Software Foundation open source ecosystem and to sharing all of our product developments with the open source community. We support the community for open source Hadoop, and employ a large number of core committers to the various Enterprise Grade Hadoop projects. A committer is an individual who is able to modify the source code of a particular open source project and then ‘‘commit’’ those changes to the central repository. This commitment allows us to drive the innovation of Hadoop’ s core open source technology, define a roadmap for the future, ensure predictable and reliable enterprise quality releases, and provide comprehensive, enterprise-class support.

To date, our engineers have contributed significantly to the innovation of YARN, as well as data management, data access, governance, security and operations capabilities to the Hadoop platform consistent with our open source approach. Our focus on open development, our large committer employee base and our broad understanding of Hadoop technology have allowed us to deliver superior services that are specifically designed to enable Enterprise Grade Hadoop.

We are focused on going to market with a 100% open source solution. This focus allows us to collectively provide the product management guidance for Enterprise Grade Hadoop to mainstream enterprises and our partner ecosystem, and further innovate the core of Hadoop. We believe our approach is unique and that our commitment to advancing the development of Hadoop has helped establish us as a market leader. For example, we have recently been recognized by Forrester Research as a leader in Hadoop.

In addition, our focus on creating an open source solution that integrates with existing data center technologies and skills has allowed us to establish a thriving network of partners and leaders across the data center ecosystem. We have developed distribution and reseller partnerships with companies within the big data marketplace, including Hewlett-Packard Company, Microsoft Corporation, Rackspace Hosting, Inc., Red Hat, Inc., SAP AG, Teradata Corporation and Yahoo! Inc. We have leveraged this integration and these partnerships to enable the ecosystem to bring more data under management and accelerate Hadoop adoption in the enterprise.

## Our Strategy

We were founded in 2011 to enable Hadoop to be the enterprise data platform that powers the modern data architecture. We intend to grow our business by focusing on the following strategies:

**Continue to innovate and extend Hadoop' s enterprise data platform capabilities.** Addressing the needs of the enterprise through Hadoop is our core mission. We plan to continue our commitment to innovating and developing the various open source Hadoop projects that will continue to enhance the capabilities of this critical big data technology.

**Establish Hadoop as the industry standard for the modern enterprise data architecture and Hortonworks as the trusted Enterprise Grade Hadoop provider.** We intend to continue our focus on accelerating the market adoption of Hadoop by enterprises of all sizes and in all vertical markets. In order to achieve this goal, we intend to leverage our leadership position in the market to strengthen the quality and capabilities of Enterprise Grade Hadoop by continually enhancing its governance, security and operations capabilities, rigorously testing new versions of Enterprise Grade Hadoop and strengthening our leadership position as a trusted distributor for enterprise Hadoop deployments.

**Continue to support and foster growth in the Hadoop ecosystem.** We are committed to supporting the community deploying Enterprise Grade Hadoop as well as maintaining the interoperability of our platform by enabling leaders in the data center to easily extend their products to integrate with Enterprise Grade Hadoop. This combination of our open solution and our ecosystem of more than 500 partners provides compelling solutions for enterprises across a wide variety of use cases.

**Focus on renewing and extending existing customer deployments.** We believe that our solution offers increasingly more value as data under management scales. As data under management increases and return on investment is realized, existing deployments expand and new use cases are discovered, expanding our overall opportunity. Therefore we will continue to focus on supporting our current customer deployments to exceed their expectations. By serving our current base, we will strengthen our relationships as we focus on renewing and broadening the scope of our support agreements.

**Grow our sales force directly and indirectly through our reseller and OEM partners.** Our go-to-market strategy relies on a strong sales team and partnerships with some of the largest software companies in the world. We plan to drive growth by further investing into our salesforce and partner channels.

**Grow our customer base across new vertical markets and geographies.** We believe that Hadoop's use cases are broad, and that our solution can address customers in a variety of industries including online services, education, financial services, government, healthcare/pharmaceuticals, industrials/manufacturing, media/entertainment, retail/ecommerce, technology and telecommunications. Our focus is to penetrate a diverse customer base through the efforts of our sales representatives within different geographies.

**Pursue selective acquisitions to further enhance and build out the critical components of the Hortonworks Data Platform.** In May 2014, we acquired XA Secure for its data security capability and are converting the acquired technology into open source features for the Hortonworks Data Platform. We will continue to seek potential acquisition opportunities that can add to the capabilities of an enterprise Hadoop solution.

**Continue international expansion.** The majority of our sales today originate within the United States. We believe that there is a substantial opportunity for Enterprise Grade Hadoop outside of the United States, and we intend to continue to increase the size of our customer base through the efforts of our international sales team. We are currently focused on serving the needs of customers in North America and Western Europe with future expansion opportunities in Europe, Asia Pacific and the rest of the world.

## Products and Services

Our solution, the Hortonworks Data Platform, is an open source, enterprise-grade data management platform built on Apache Hadoop and powered by YARN. We continuously drive innovation in the Apache community with a mission to further Hadoop's development for mainstream enterprises across such key areas as data management, data access, security, governance and operations.

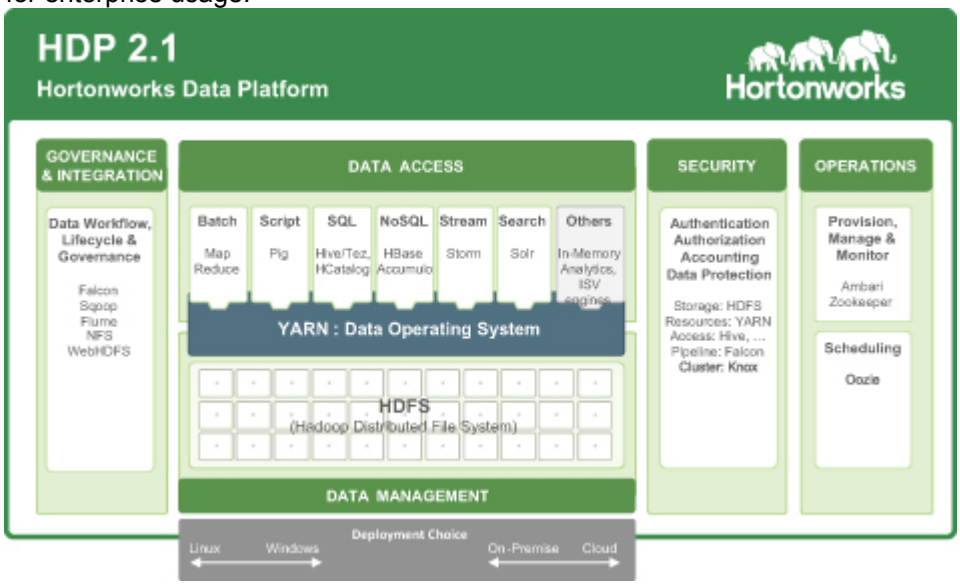
### *Products*

Our product offerings include:

**Hortonworks Data Platform** is a modern data platform built from various open source software components including Apache Hadoop and is designed for mainstream enterprise adoption. The Hortonworks Data Platform is fundamentally versatile, providing linear, scalable storage and compute across a wide range of access methods, from batch to interactive and real time. HDP includes a comprehensive set of the essential data capabilities required by the modern enterprise across governance, integration, security and operations. HDP integrates with and augments existing best-of-breed data center systems and tools and is the only completely open Apache Hadoop platform that provides deployment choice from cloud, an appliance, or on-premises across both Windows and Linux. We released Version 2.1 of the Hortonworks Data Platform in April 2014, and typically release several upgrades per year to include new functionality and new projects.

While Apache Hadoop, through the Hadoop Distributed Filesystem (HDFS), YARN and MapReduce, provides the foundational capabilities for managing and accessing data at scale, the Enterprise Grade Hadoop platform has expanded to incorporate a range of Apache projects that are required components of a complete enterprise data platform. These components fit into five distinct categories: data management, data access, governance and integration, security and operations. The Hortonworks Data Platform, illustrated below, delivers all of the

essential open source components across the five categories in a completely open, integrated and tested platform that is ready for enterprise usage.




**Data Management:** HDFS, the file system for Hadoop, provides linear scale and reliable data storage, and is designed for distributed computing across large clusters of low-cost commodity servers. YARN is the data operating system for Hadoop that enables users to process and access data simultaneously in multiple ways.

**Data Access:** HDP enables users to access and interact with data using a variety of engines to support batch (MapReduce), interactive (Hive) and real-time (HBase, Accumulo and Storm) data processing use cases.

**Governance and Integration:** HDP includes functionality that enables users to quickly, easily and flexibly load data, and manage its lifecycle according to policy. For example, Falcon allows users to automate the movement and processing of datasets for pipelines, disaster recovery and data retention, Flume collects data from multiple sources, such as high-volume Web logs, in real-time, and Sqoop enables users to import large amounts of data quickly from external data stores and enterprise data warehouses.

**Security:** HDP facilitates the administration of consistent policy across requirements for authentication, authorization, audit and data protection. Tools such as Knox provide authentication and access functionality for Hadoop services.

**Operations:** HDP includes tools used to provision, manage, monitor and operate Hadoop clusters at scale, including Apache Ambari, which is a collection of tools that allows system administrators to provision and manage their Hadoop clusters.

**Hortonworks Sandbox** is a personal, portable and free to use Hadoop environment designed to provide the easiest way to get started with Enterprise Grade Hadoop and the Hortonworks Data Platform. Hortonworks Sandbox includes HDP in an easy-to-use form and comes packaged with dozens of interactive Hadoop tutorials from us, our partners and the broader Hadoop community that are all designed to provide the fastest path to value with Enterprise Grade Hadoop. The tutorials we provide are built on the experience gained from training thousands of people in our Hortonworks University Training classes. Many users leverage the

Hortonworks Sandbox as a way to prove the concept of their initial use cases before engaging with us around professional services and support subscription offerings.

***Development***

We embrace an open source software development model that uses the collective input, resources and knowledge of a global community of contributors collaborating primarily within the Apache Software Foundation open source community on developing, maintaining and enhancing Apache Hadoop. We employ the largest number of active Apache Software Foundation committers and Project Management Committee (PMC) members of any company for the Enterprise Grade Hadoop projects within the Hortonworks Data Platform, including Apache Hadoop, Apache Hive, Apache Pig, Apache Tez, Apache HBase, Apache Accumulo, Apache Storm, Apache Ambari, Apache Knox, Apache Falcon, Apache Oozie, Apache Sqoop, Apache Flume and Apache Zookeeper. The number of active committers and active PMC members that are employed by us and focused on the Apache Hadoop project individually as well in total across all of the Apache projects listed above is more than twice the total of the next largest employer of such committers. These employees enable us to drive innovation, define a roadmap for the future of Hadoop, ensure predictable and reliable enterprise quality releases and provide comprehensive, enterprise-class support.

We believe that we benefit from this open source development model because we are able to offer our software more quickly and with lower development cost than is typical of many software vendors who use a proprietary model to develop their products. Our open source development model also benefits our support subscription customers and partners, who are able to take advantage of the quality and value of open source software that we help to define, develop, integrate, test, certify, deliver, maintain, enhance and support. Our research and development expenses were $6.9 million and $12.1 million for the years ended April 30, 2012 and 2013, respectively, $6.8 million and $14.6 million for the eight months ended December 31, 2012 and 2013, respectively, and $13.8 million and $26.3 million for the nine months ended September 30, 2013 and 2014, respectively.

***Licensing***

We distribute the Hortonworks Data Platform under the Apache open source license in order to provide recipients broad rights to use, copy, modify and redistribute the Hortonworks Data Platform. These broad rights afford significant transparency for end users of the Hortonworks Data Platform, including our customers and partners, to provide informed suggestions, changes and enhancements to the Hortonworks Data Platform based on their use cases and business needs. Consistent with our open source approach, we generally make the Hortonworks Data Platform available free of charge and derive the predominant amount of our revenue from customer fees from support subscription offerings and professional services.

***Support Subscriptions***

We provide support under annual or multi-year subscriptions. A support subscription generally entitles a support subscription customer to a specified scope of support, as well as security updates, fixes, functionality enhancements and upgrades to the technology and new versions of the software, if and when available, and compatibility with an ecosystem of certified hardware and software applications. Our support subscriptions are typically non-cancelable and paid for in advance, and are generally consistent among our customers.

Support subscription offerings for the Hortonworks Data Platform are designed to assist our support subscription customers throughout the entire lifecycle: from development and proof-of-concept, to quality assurance and testing, to production and deployment, and are available in two editions: HDP

Enterprise and HDP Enterprise Plus. Both offerings provide support incidents with up to 24x7, one-hour response available from us and selected independent software vendor and original equipment manufacturer, or OEM, partners. Support offerings include but are not limited to remote troubleshooting, advanced knowledgebase, access to upgrades, updates and patches, diagnosis of installation and configuration issues, diagnosis of cluster management and performance issues, diagnosis of data loading, processing and query issues, as well as application development advice.

***Professional Services***

We offer a range of professional services that are designed to help our customers derive additional value from deploying Hortonworks Data Platform.

**Training**. We provide scenario-based Enterprise Grade Hadoop training classes for developers, system administrators and data analysts available in classroom, corporate on-site and online settings, along with examinations that enable individuals to establish themselves as Certified Hadoop Professionals. Our training classes help populate customers with skilled Hadoop professionals who often serve as internal experts and open source advocates, increasing opportunities for successful adoption and use of the Hortonworks Data Platform.

**Consulting**. We also provide the services of experienced consultants principally in connection with our technology offerings to assist with the needs of our customers such as deployment assessments, implementations, upgrade planning, platform migrations, solution integration and application development. By providing consulting services, directly and with our certified system integrator partners, we facilitate adoption of the Hortonworks Data Platform.

## Sales and Marketing

Our sales and marketing teams work together to drive market awareness, build a strong sales pipeline and cultivate customer relationships to drive revenue growth.

Our sales organization consists of a direct sales team and reseller partners who work in collaboration with our direct sales team to identify new sales prospects, sell our subscriptions and professional services and provide post-sale support. Our direct field sales organization is responsible for targeting enterprise and government accounts globally. Our direct inside sales organization is responsible for targeting medium-size and smaller organizations. Our business development team works with our direct field sales organization to manage the collaboration between our direct field sales team and our strategic and reseller partners. We believe this direct-touch sales approach allows us to leverage the benefits of the channel as well as maintain face-to-face interaction with our customers, including key enterprise accounts. We expect to continue to grow our sales headcount in all markets, particularly in countries where we currently do not have a direct sales presence.

Our sales organization is supported by sales engineers with deep technical domain expertise who are responsible for pre-sales technical support, solutions engineering for our customers, proof of concept work and technical training for our channel partners. Our sales engineers also act as liaisons between our customers and our marketing and product development organizations.

Our marketing is focused on building our brand reputation and the market awareness of our platform and our role in leading the definition and innovation related to Enterprise Grade Hadoop, driving customer demand and a strong sales pipeline, and working with our partners around the globe. Our marketing team consists of corporate marketing and communications, product marketing, partner marketing, field marketing and lead development personnel. Marketing activities include demand generation, advertising, managing our corporate website and partner portal, social media and audience

engagement, trade shows and conferences, press and analyst relations, customer references and customer awareness. We are also actively engaged in driving global thought leadership programs through our website, blogs, media and the annual Hadoop Summit conferences that we have hosted and managed both in the United States and Europe since 2012.

**Customers**

Our support subscription customer base has grown from 54 support subscription customers as of September 30, 2013 to 233 support subscription customers as of September 30, 2014. Our support subscription customer count consists of organizations that have purchased support subscriptions offerings; we exclude users of Hortonworks Sandbox from our support subscription customer count because we do not have support subscription arrangements with, and do not generate revenue from, users of Hortonworks Sandbox. In situations where there are multiple support subscription contracts with multiple subsidiaries or divisions, universities, or governmental organizations of a single entity, each such contract is treated as a separate instance of our support subscription offerings and is counted as representing a separate support subscription customer. We provide products and services to support subscription customers of varying sizes, including enterprises, educational institutions and government agencies. Our current support subscription customer base spans numerous vertical markets, including online services, education, financial services, government, healthcare/pharmaceuticals, industrials/manufacturing, media/entertainment, retail/ecommerce, technology and telecommunications. See Note 14 to our consolidated financial statements for a summary of revenue by geographic area.

**Strategic Relationships**

To facilitate the widespread deployment of the Hortonworks Data Platform, we have focused on cultivating broad support for our technologies from the providers of enterprise software, infrastructure and systems integrator services critical to enterprises. We have strategic relationships and reseller arrangements with third parties whereby our support subscriptions are bundled with such third parties' products and services.

We have established strategic relationships with Hewlett-Packard Company, Microsoft, Red Hat and Teradata that involve tightly integrated development, marketing and support strategies to maximize the success of our solutions.

Hewlett-Packard Company, one of our stockholders and the employer of our director Martin Fink, resells Hortonworks Data Platform support subscription offerings, whereby Hewlett-Packard Company may perform level one and two support, and deliver professional services to its end-user customers. We receive a net percentage of the gross dollars collected from Hewlett-Packard Company's end-user customers related to such support and professional services, which customers Hewlett-Packard Company bills directly. Revenue from Hewlett-Packard Company accounted for less than 0.5% of our total revenue for each of the year ended April 30, 2013, the eight months ended December 31, 2013 and the nine months ended September 30, 2014.

Microsoft sells a Microsoft-branded offering of the Hortonworks Data Platform to its end-user customers. We receive a fee for providing support subscription offerings to Microsoft. Revenue from Microsoft accounted for 55.3% of our total revenue for the year ended April 30, 2013, 37.8% of our total revenue for the eight months ended December 31, 2013 and 22.4% of our total revenue for the nine months ended September 30, 2014.

We and Red Hat, the employer of our director Paul Cormier, work together through our research and development organizations to facilitate Hadoop performance on Red Hat' s Enterprise Linux offerings. We had no revenue from Red Hat for the year ended April 30, 2013, and revenue from Red Hat represented less than 0.1% of our total revenue for each of the eight months ended December 31, 2013 and the nine months ended September 30, 2014.

Teradata, one of our stockholders, resells Hortonworks Data Platform support subscription offerings, whereby Teradata typically performs level one support for its end-user customers. We receive a fixed dollar amount per customer transaction from Teradata based on volume, regardless of the amount that Teradata bills to its end-user customers. Revenue from Teradata accounted for 3.6% of our total revenue for the year ended April 30, 2013, 3.8% of our total revenue for the eight months ended December 31, 2013 and 3.3% of our total revenue for the nine months ended September 30, 2014.

Further, leading enterprise software and infrastructure vendors with solutions that run on or with the Hortonworks Data Platform include Amazon Web Services, Inc., BMC Software, Inc., Cisco Systems, Inc., Informatica Corporation, LucidWorks, Inc., MarkLogic Corporation, MicroStrategy Inc., NetApp, Inc., SAS Institute Inc., Splunk Inc., Symantec Corporation, Tableau Software, Inc., Talend Inc., Tibco Software Inc. and VMware, Inc.

## Competition

Within the enterprise Hadoop market, we compete against a variety of large software and infrastructure vendors, smaller specialized companies and custom development efforts. Our principal competitors in this market include pure play Hadoop distribution vendors such as Cloudera and MapR Technologies, as well as enterprise software and infrastructure vendors that offer Hadoop distributions such as IBM, Oracle and Pivotal Software.

Within the broader big data market, an enterprise Hadoop solution may compete for workloads against traditional data warehouse solutions from large vendors such as Teradata, Oracle, Microsoft, IBM, Hewlett-Packard Company, SAP and EMC Corporation (Pivotal Software), and non-relational NoSQL databases targeting more narrowly focused use cases from smaller pure play vendors such as MongoDB Inc. and DataStax, Inc. Since enterprise Hadoop is commonly integrated with traditional data warehouses, such as our partnerships with Teradata and Hewlett-Packard Company, and NoSQL databases, such as our partnership with DataStax, this category of vendors and solutions comprises a set of key partners who may compete with us in certain instances while partnering with us in others.

We believe the principal competitive factors in the enterprise Hadoop and big data markets for our solution are:

- name and reputation of the vendor or competitive offering;
- ability to adapt development, sales, marketing and support to the open source software model;
- product price, performance, scalability, reliability, functionality and ease of use;
- value of support subscription offerings and quality of support and professional services;
- strategic alliances with major enterprise software and infrastructure providers;
- availability of third-party solutions that are integrated with and compatible with the technology;
- number of Global 2000 reference accounts;
- ability to provide a credible and actionable roadmap for the technology;

ability to quickly diagnose software issues and provide patches and other solutions; and

strength of the vendor' s relationships and reputation in the open source community.

We believe that we generally compete favorably on the basis of the foregoing factors. Since we employ a significant number of Hadoop core committers and innovators, we are able to innovate the core open source technology, help define a roadmap for the future, provide predictable and reliable, enterprise-quality releases and offer comprehensive support to our support subscription customers and deeply integrated solutions with our partners.

The traditional barriers to entry that are found in the proprietary software model do not characterize the open source software model. For example, the financial and legal barriers to creating a new Hadoop distribution are relatively low because the software components typically included in Hadoop distributions are publicly available under open source licenses that permit copying, modification and redistribution. While anyone can use, copy, modify and redistribute the Hortonworks Data Platform, they are not permitted to refer to the product using the trademarked ‘‘Hortonworks’’ name unless they have a formal business relationship with us that allows such references.

Some of our actual and potential competitors have advantages over us, such as longer operating histories, significantly greater financial, technical, marketing or other resources, stronger brand and business user recognition, larger intellectual property portfolios and broader global distribution and presence. In addition, our industry is evolving rapidly and is becoming increasingly competitive. Larger and more established companies may focus on operational intelligence and could directly compete with us. Smaller companies could also launch new products and services that we do not offer and that could gain market acceptance quickly.

**Intellectual Property**

Our offerings, including the Hortonworks Data Platform and Hortonworks Sandbox, are built from software components licensed to the general public under the Apache Software License and similar open source licenses. We obtain many components from software developed and released by contributors to independent open source software development projects primarily at the Apache Software Foundation. Open source licenses grant licensees broad permissions to use, copy, modify and redistribute the Hortonworks Data Platform. As a result, open source development and licensing practices can limit the value of our software copyright assets. Consequently, our trademarks may represent our most valuable intellectual property. As a result, we actively pursue registration of our trademarks, logos, service marks and domain names in the United States and in other countries. The duration of our trademarks registered in the U.S. generally lasts as long as we use them in commerce and timely file all documents required by the United States Patent and Trademark Office to maintain such registrations.

We rely on a combination of trade secret, copyright and trademark laws, a variety of contractual arrangements, such as license agreements, assignment agreements, confidentiality and non-disclosure agreements, and confidentiality procedures and technical measures to gain rights to and protect the intellectual property used in our business.

We also rely on certain intellectual property rights that we license from third parties, including under certain open source licenses. Though such third-party technologies may not continue to be available to us on commercially reasonable terms, we believe that alternative technologies would be available to us.

Our policy is to require employees and independent contractors to sign agreements assigning to us any inventions, trade secrets, works of authorship, developments and other processes generated by them on our behalf and agreeing to protect our confidential information, and all of our key employees and contractors have done so. We also control and monitor access to, and distribution of, our proprietary information.

For a discussion of the risk factors relating to intellectual property that we believe could impact our actual and expected results, see "Risk Factors" in this prospectus.

## Legal Proceedings

From time to time, we are involved in legal proceedings and subject to claims arising in the ordinary course of our business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these ordinary course matters will not have a material adverse effect on our business, operating results, financial condition or cash flows. 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.

## Employees

As of September 30, 2014, we had 524 full-time employees, including 468 employees in the United States and 56 employees internationally. None of our employees is represented by a labor union with respect to his or her employment with us. We have not experienced any work stoppages and we consider our relations with our employees to be good.

## Facilities

Our corporate headquarters, which includes research and development, sales, marketing, business operations and executive offices, is located in Palo Alto, California. It consists of 30,000 square feet of space under a lease that expires in October 2017. In May 2014, we entered into a lease for our new corporate headquarters consisting of 65,000 square feet of space in Santa Clara, California under a lease that expires in April 2018, and intend to occupy the space before the end of 2014.

We lease all of our facilities and do not own any real property. We intend to procure additional space as we add employees and expand geographically. We believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate expansion of our operations.

## MANAGEMENT

### Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of September 30, 2014:

| Name | Age | Position |
|---|---|---|
| *Executive Officers:* | | |
| Robert Bearden | 48 | Chief Executive Officer and Director |
| Scott Davidson | 48 | Chief Financial Officer |
| Herbert Cunitz | 51 | President |
| Shaun Connolly | 50 | Vice President, Corporate Strategy |
| Greg Pavlik | 42 | Vice President, Engineering |
| *Non-Employee Directors:* | | |
| Paul Cormier(1) | 57 | Director |
| Peter Fenton(1)(3) | 42 | Director |
| Martin Fink(2) | 49 | Director |
| Kevin Klausmeyer(1)(3) | 56 | Director |
| Jay Rossiter(2) | 57 | Director |
| Michelangelo Volpi(2)(3) | 47 | Director |

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

### Executive Officers

**Robert Bearden**. Robert Bearden co-founded Hortonworks and has served as our Chief Executive Officer from April 2011 to June 2011 and since February 2012 and as a member of our board of directors since April 2011. From August 2009 to April 2011, Mr. Bearden served as an Entrepreneur in Residence at Benchmark, a venture capital firm. From March 2008 to August 2009, Mr. Bearden served as President and Chief Operating Officer of SpringSource, a provider of open source software solutions (acquired by VMware). Mr. Bearden holds a B.S. in marketing from Jacksonville State University.

We believe that Mr. Bearden is qualified to serve as a member of our board of directors because of his operational and historical expertise gained from serving as our Chief Executive Officer and as a senior executive at other technology companies as well as his knowledge of the technology industry.

**Scott Davidson**. Scott Davidson has served as our Chief Financial Officer since April 2014. From October 2012 to April 2013, Mr. Davidson served as Vice President, Finance at Dell, Inc., a computer manufacturer and technology company. From October 2007 to September 2012, Mr. Davidson served as Chief Financial Officer of Quest Software, an enterprise software company. Mr. Davidson holds a B.S. in finance from Florida Atlantic University and an M.B.A. from the University of Miami.

**Herbert Cunitz**. Herbert Cunitz has served as our President since September 2012. From September 2009 to September 2012, Mr. Cunitz served as Vice President, Global Field Operations at

VMware, a cloud and virtualization company. From May 2008 to September 2009, Mr. Cunitz served as Vice President, Sales at SpringSource, a provider of open source software solutions (acquired by VMware). Mr. Cunitz holds a B.S. in electrical engineering from Columbia University and an M.B.A. from New York University.

**Shaun Connolly**. Shaun Connolly has served as our Vice President, Corporate Strategy since December 2011. From October 2011 to December 2011, Mr. Connolly served as an independent consultant to the Company. From September 2009 to September 2011, Mr. Connolly served as Vice President, Product Strategy at VMware, a cloud and virtualization company. From December 2008 to September 2009, Mr. Connolly served as Vice President, Product Management at SpringSource, a provider of open source software solutions (acquired by VMware). Mr. Connolly holds a B.S. in electrical engineering from Drexel University.

**Greg Pavlik**. Greg Pavlik has served as our Vice President, Engineering since March 2012. From August 2008 to March 2012, Mr. Pavlik served as Vice President, Product Development at Oracle, an enterprise software company. Mr. Pavlik holds a B.S. in materials science and engineering and an M.B.A. from the University of Pennsylvania.

**Non-Employee Directors**

**Paul Cormier**. Mr. Cormier has served on our board of directors since October 2011. Mr. Cormier has served as President, Products and Technologies of Red Hat, Inc., a provider of open source software solutions, since April 2008 and as Executive Vice President since May 2001. From March 1999 to May 2001, Mr. Cormier served as Senior Vice President, Research and Development at BindView Development Corporation, a network management software company. From June 1998 to March 1999, Mr. Cormier served as Chief Technology Officer for Netect Internet Software Company, a network security vendor. From January 1996 to June 1998, Mr. Cormier first served as Director of Engineering, Internet Security and Collaboration Products and then as Senior Director of Software Product Development, Internet Security Products, for AltaVista Internet Software, a web portal and internet services company. Mr. Cormier holds a B.S. in Business Administration from Fitchburg State College and an M.S. in Software Development and Management from the Rochester Institute of Technology.

We believe that Mr. Cormier is qualified to serve as a member of our board of directors because of his operational expertise gained as a senior executive at leading technology companies as well as his knowledge of the technology industry generally, and in particular, open source solutions.

**Peter Fenton**. Mr. Fenton has served on our board of directors since July 2011. Since September 2006, Mr. Fenton has served as a General Partner of Benchmark, a venture capital firm. From October 1999 to May 2006, Mr. Fenton served as a Managing Partner at Accel Partners, a venture capital firm. Mr. Fenton currently serves on the boards of directors of Yelp Inc., a local directory and user review service, Twitter, Inc., a social networking service, Zendesk, Inc., a software development company that provides a software-as-a-service customer service platform, and a number of other privately-held companies. Mr. Fenton holds a B.A. in philosophy and an M.B.A. from Stanford University.

We believe that Mr. Fenton is qualified to serve as a member of our board of directors because of his extensive experience in the venture capital industry and his knowledge of technology companies.

**Martin Fink**. Mr. Fink has served on our board of directors since July 2014. Since November 2012, Mr. Fink has served as the Chief Technology Officer and Director, HP Labs, of Hewlett-Packard Company, an information technology company. Since November 2013, Mr. Fink has served as General Manager, HP Cloud, of Hewlett-Packard Company. From 1985 to November 2012, Mr. Fink served in various roles at

Hewlett-Packard Company, most recently as Senior Vice President and General Manager, Business Critical Systems and Converged Application Systems. Mr. Fink holds an associate' s degree in electrical and electronics engineering from Loyalist College and an M.B.A. from Colorado State University.

**Kevin Klausmeyer.** Mr. Klausmeyer has served on our board of directors since August 2014. From April 2013 to October 2013, Mr. Klausmeyer served on the board of directors of Sourcefire, Inc., a provider of network security solutions (acquired by Cisco Systems). From July 2003 to September 2012, Mr. Klausmeyer served on the board of directors of Quest Software, Inc., a software company (acquired by Dell, Inc.). From July 2006 to February 2011, Mr. Klausmeyer served as the Chief Financial Officer of The Planet, Inc., a hosting and cloud-based solutions company (acquired by Softlayer Technologies, Inc. which was acquired by IBM). Mr. Klausmeyer currently serves on the boards of directors of Callidus Software Inc., a provider of software-as-a-service sales and marketing automation solutions, and other privately-held companies. Mr. Klausmeyer holds a B.B.A. in accounting from the University of Texas.

We believe Mr. Klausmeyer is qualified to serve as a member of our board of directors because of his financial, accounting, and operational expertise from his prior experience as an executive and director for public and private technology companies.

**Jay Rossiter**. Mr. Rossiter has served on our board of directors since July 2011. Mr. Rossiter has been the Senior Vice President of Platforms of Yahoo!, an internet company, since January 2008. Mr. Rossiter holds a bachelor' s degree in mathematics from SUNY Binghamton and a master' s degree in Computer, Information and Control Engineering from the University of Michigan.

We believe that Mr. Rossiter is qualified to serve as a member of our board of directors because of his operational expertise gained as an executive at leading technology companies and his knowledge of the technology industry.

**Michelangelo Volpi**. Mr. Volpi has served on our board of directors since October 2011. Since July 2009, Mr. Volpi has served as a General Partner of Index Ventures, a venture capital firm. From June 2007 to July 2009, Mr. Volpi served as Chief Executive Officer for Joost, an Internet premium video services company. From 1994 to June 2007, Mr. Volpi served in various executive roles at Cisco Systems, Inc., a networking and telecommunications company. Mr. Volpi currently serves on the board of Exor S.p.A., an investment company. From April 2010 to April 2013, Mr. Volpi served on the board of directors of Telefonaktiebolaget L. M. Ericsson, a communications technology company, and has served on the board of directors of a number of other privately-held companies. Mr. Volpi holds a B.S. in mechanical engineering, an M.S. in manufacturing systems engineering and an M.B.A. from Stanford University.

We believe that Mr. Volpi is qualified to serve as a member of our board of directors because of his extensive experience in the venture capital industry and his knowledge of technology companies.

Each executive officer serves at the discretion of our board of directors and holds office until his or her successor is duly elected and qualified or until his or her earlier resignation or removal. There are no family relationships among any of our directors or executive officers.

## Codes of Business Conduct and Ethics

Prior to the completion of this offering, our board of directors will adopt a code of business conduct and ethics that will apply to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior financial officers. The full text

of our code of business conduct and ethics will be posted on the investor relations page on our website. We intend to disclose any amendments to our code of business conduct and ethics, or waivers of its requirements, on our website or in filings under the Exchange Act, as required by the applicable rules and exchange requirements.

## Board of Directors

Our business and affairs are managed under the direction of our board of directors. The number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering. Our board of directors will consist of seven directors, six of whom will qualify as "independent" under the NASDAQ Stock Market LLC, or NASDAQ, listing standards.

In accordance with our amended and restated certificate of incorporation and our amended and restated bylaws, immediately after the completion of this offering our board of directors will be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our directors will be divided among the three classes as follows:

- the Class I directors will be Messrs. Bearden and Klausmeyer, and their terms will expire at the annual meeting of stockholders to be held in 2015;
- the Class II directors will be Messrs. Fink, Rossiter and Volpi, and their terms will expire at the annual meeting of stockholders to be held in 2016; and
- the Class III directors will be Messrs. Cormier and Fenton, and their terms will expire at the annual meeting of stockholders to be held in 2017.

Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

Currently, Peter Fenton serves on our board of directors as designee of Benchmark Capital Partners VII, LP, Jay Rossiter serves on our board of directors as designee of Yahoo! Inc. and Michelangelo Volpi serves on our board of directors as designee of Index Ventures V (Jersey), L.P., in each case pursuant to the provisions of a voting agreement, among us and certain of our stockholders. The voting agreement will terminate upon completion of this offering. For additional information, see "Certain Relationships and Related Party Transactions–Voting Agreement."

## Director Independence

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment and affiliations, our board of directors has determined that Messrs. Cormier, Fenton, Fink, Klausmeyer, Rossiter and Volpi do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing standards of NASDAQ. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and

circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described in "Certain Relationships and Related Party Transactions."

**Committees of the Board of Directors**

Our board of directors has established or will establish, effective prior to the completion of this offering, an audit committee, a compensation committee and a nominating and corporate governance committee.

The composition and responsibilities of each of the committees of our board of directors is described below. Members will serve on these committees until their resignation or until as otherwise determined by our board of directors.

***Audit Committee***

Immediately following the completion of this offering, our audit committee will consist of Messrs. Fenton, Klausmeyer and Volpi, with Mr. Klausmeyer serving as Chairman. The composition of our audit committee meets the requirements for independence under current NASDAQ listing standards and SEC rules and regulations. Each member of our audit committee meets the financial literacy requirements of NASDAQ listing standards. In addition, our board of directors has determined that Mr. Klausmeyer is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act. Our audit committee will, among other things:

- select a qualified firm to serve as the independent registered public accounting firm to audit our consolidated financial statements;
- help to ensure the independence and performance of the independent registered public accounting firm;
- discuss the scope and results of the audit with the independent registered public accounting firm, and review, with management and the independent registered public accounting firm, our interim and year-end results of operations;
- develop procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- review our policies on risk assessment and risk management;
- review related party transactions;
- obtain and review a report by the independent registered public accounting firm at least annually, that describes our internal control procedures, any material issues with such procedures, and any steps taken to deal with such issues; and
- approve (or, as permitted, pre-approve) all audit and all permissible non-audit services, other than *de minimis* non-audit services, to be performed by the independent registered public accounting firm.

Our audit committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable rules of the SEC and the listing standards of NASDAQ.

***Compensation Committee***

Immediately following the completion of this offering, our compensation committee will consist of Messrs. Cormier, Fenton and Klausmeyer, with Mr. Fenton serving as Chairman. The composition of

our compensation committee meets the requirements for independence under NASDAQ listing standards and SEC rules and regulations. Each member of the compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code. The purpose of our compensation committee is to discharge the responsibilities of our board of directors relating to compensation of our executive officers. Our compensation committee, among other things:

- reviews, approves and determines, or make recommendations to our board of directors regarding, the compensation of our executive officers;
- administers our stock and equity incentive plans;
- reviews and approves and make recommendations to our board of directors regarding incentive compensation and equity plans; and
- establishes and reviews general policies relating to compensation and benefits of our employees.

Our compensation committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable rules of the SEC and the listing standards of NASDAQ.

***Nominating and Corporate Governance Committee***

Immediately following the completion of this offering, our nominating and corporate governance committee will consist of Messrs. Fink, Rossiter and Volpi, with Mr. Volpi serving as Chairman. The composition of our nominating and corporate governance committee meets the requirements for independence under NASDAQ listing standards and SEC rules and regulations. Our nominating and corporate governance committee will, among other things:

- identify, evaluate and select, or make recommendations to our board of directors regarding, nominees for election to our board of directors and its committees;
- evaluate the performance of our board of directors and of individual directors;
- consider and make recommendations to our board of directors regarding the composition of our board of directors and its committees;
- review developments in corporate governance practices;
- evaluate the adequacy of our corporate governance practices and reporting; and
- develop and make recommendations to our board of directors regarding corporate governance guidelines and matters.

The nominating and corporate governance committee will operate under a written charter, to be effective prior to the completion of this offering that satisfies the applicable listing requirements and rules of NASDAQ.

**Compensation Committee Interlocks and Insider Participation**

None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Peter Fenton, a member of our compensation committee, is affiliated with Benchmark. In July 2011, we sold shares of our Series A preferred stock to entities affiliated with Benchmark, in June 2013, we sold shares of our Series C preferred stock to entities affiliated with Benchmark and in March

2014, we sold shares of our Series D preferred stock to entities affiliated with Benchmark. All purchasers of our Series A preferred stock, Series C preferred stock and Series D preferred stock, including entities affiliated with Benchmark, are parties to our investors' rights agreement and are entitled to specified registration rights thereunder. Such purchasers are also party to a right of first refusal and co-sale agreement and a voting agreement, each of which will terminate upon the completion of this offering. We have described each of these transactions in more detail under "Certain Relationships and Related Party Transactions."

## Non-Employee Director Compensation

Other than set forth in the table and described more fully below, historically, none of our non-employee directors received any cash, equity or other compensation for their services as directors or as members of any board committee, except that in December 2011, Paul Cormier was granted an option to purchase 183,333 shares of our common stock with an exercise price of $0.27 per share, in August 2013, Mr. Cormier was granted an option to purchase 45,000 shares of our common stock with an exercise price of $2.38 per share and in August 2014, upon joining the board of directors, Kevin Klausmeyer was granted an option to purchase 192,453 shares of our common stock with an exercise price of $7.07 per share. Directors who are also our employees receive no additional compensation for their service as a director. During 2013, Mr. Bearden was an employee. See "Executive Compensation" for more information about his compensation.

### Director Compensation–2013

| Name | Option Awards(1)(2) | Total |
|---|---|---|
| Paul Cormier | $ 48,655 | $48,655 |

(1) The amount reported represents the aggregate grant date fair value of the stock options awarded to the director in fiscal 2013, calculated in accordance with ASC Topic 718. Such grant date fair value does not take into account any estimated forfeiture related to service-vesting conditions. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in the notes to our audited financial statements included in this prospectus.

(2) One quarter of the shares subject to the option granted in December 2011 vested on December 5, 2012 and one forty-eighth of the shares will vest monthly thereafter, subject to continued service to us. One quarter of the shares subject to the option granted in August 2013 will vest on August 19, 2014 and one forty-eighth of the shares will vest monthly thereafter, subject to continued service to us. The option granted in August 2013 provides for full vesting acceleration in the event of a change in control.

In September 2014, our board of directors adopted a policy with respect to the compensation payable to our non-employee directors, which will become effective upon the closing of this offering. Under this policy, each non-employee director will be eligible to receive compensation for his or her service consisting of annual cash retainers and equity awards. Our non-employee directors will receive the following annual cash retainers for their service:

| Position | Retainer |
|---|---|
| Board Member | $30,000 |
| Audit Committee Chair | 15,000 |
| Compensation Committee Chair or Nominating and Corporate Governance Committee Chair | 10,000 |
| Audit Committee Member other than Chair | 7,500 |
| Compensation Committee Member other than Chair or Nominating and Corporate Governance Committee Member other than Chair | 5,000 |

Our policy provides that, upon the closing of this offering, each non-employee director will be granted RSUs having a fair market value of $150,000 based on the closing trading price on the date of grant. In addition, on the date of each annual meeting of stockholders following the closing of this offering, each non-employee continuing director will be granted an annual award of RSUs having a fair market value of $150,000. The award of RSUs granted upon the closing of this offering and upon the date of each annual meeting of stockholders will fully vest on the anniversary of the grant date, in each case, subject to continued service as a director through the vesting date. In addition, such awards are subject to full accelerated vesting upon the sale of our company.

## EXECUTIVE COMPENSATION

### *Overview*

The following discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. The actual amount and form of compensation and the compensation policies and practices that we adopt in the future may differ materially from currently planned programs as summarized in this discussion.

The compensation provided to our named executive officers for 2013 is detailed in the 2013 Summary Compensation Table and accompanying footnotes and narrative that follows this section. Note that as a result of changing our fiscal year, we are providing compensation information for our fiscal year ending April 30, 2013, or Fiscal 2013, as well as for our partial year comprised of the eight months ending December 31, 2013, or Partial 2013 Calendar Year.

Our named executive officers in Partial 2013 Calendar Year were:

Robert Bearden, our Chief Executive Officer, or CEO, and co-founder;

Herbert Cunitz, our President; and

Greg Pavlik, our Vice President, Engineering.

Our named executive officers in Fiscal 2013 were:

Robert Bearden, our Chief Executive Officer and co-founder;

Herbert Cunitz, our President; and

Shaun Connolly, our Vice President, Corporate Strategy.

### Summary Compensation Table–2013

The following table provides information regarding the total compensation for services rendered in all capacities that was earned by our named executive officers.

| Name and Principal Position | Year | Salary ($) | Bonus ($) | Stock Awards ($)(3) | Option Awards ($)(3) | Non-Equity Incentive Plan Compensation ($)(4) | Total ($) |
|---|---|---|---|---|---|---|---|
| Robert Bearden(5) | 2013(1) | $166,667 | – | – | $727,292 | $ 166,667 | $1,060,626 |
| *Chief Executive Officer* | 2013(2) | 250,000 | – | – | – | 183,333 | 433,333 |
| Shaun Connolly | 2013(1) | 133,333 | – | – | – | 80,000 | 213,333 |
| *Vice President, Corporate Strategy* | 2013(2) | 186,667 | – | – | 146,824 | 106,667 | 440,158 |
| Herbert Cunitz(6) | 2013(1) | 166,667 | – | – | – | 166,667 | 333,334 |
| *President* | 2013(2) | 149,258 | – | $589,715 | – | 149,258 | 888,231 |
| Greg Pavlik | 2013(1) | 200,000 | – | – | 162,184 | 66,667 | 428,851 |
| *Vice President, Engineering* | 2013(2) | 283,333 | $100,000(7) | – | – | 33,333 | 416,666 |

(1) Partial calendar year comprised of eight months ended December 31, 2013.
(2) Fiscal year ended April 30, 2013.
(3) The amounts reported represent the aggregate grant-date fair value of the stock options or restricted stock purchases awarded to the named executive officer in Partial 2013 Calendar Year or Fiscal 2013, calculated in accordance with

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

(4) The amounts reported represent performance-based cash incentives earned by each named executive officer based on the achievement of certain company and individual and departmental management goals and the individual' s target incentive compensation amount. Incentive compensation awards are paid quarterly, based on the achievement of the objectives agreed to at the beginning of each quarter. Generally, such bonuses are based on individual and departmental performance (75%) and company performance (25%).

(5) Mr. Bearden serves on the board of directors but is not paid additional compensation for such service.

(6) We hired Mr. Cunitz in September 2012.

(7) This amount reflects a portion of the signing bonus paid pursuant to the terms of an offer letter with Mr. Pavlik.

## Outstanding Equity Awards at December 31, 2013

The following table sets forth information regarding outstanding equity awards held by our named executive officers as of December 31, 2013.

| | Option Awards(1) | | | | | | Stock Awards(2) | |
|---|---|---|---|---|---|---|---|---|
| Name | Vesting Commencement Date | | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Option Exercise Price ($) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That have Not Vested ($)(3) |
| Robert Bearden | 6/30/11 | (4) | – | – | – | – | 984,375 | $ 2,677,500 |
| | 2/4/12 | (5)(6) | 740,740 | 647,715 | $ 0.27 | 2/8/22 | – | – |
| | 8/19/13 | (6) | – | 672,656 | 2.38 | 8/20/23 | – | – |
| Herbert Cunitz | 9/25/12 | (7) | – | – | – | – | 1,482,611 | 4,032,702 |
| Greg Pavlik | 3/26/12 | (8) | – | – | – | – | 547,423 | 1,488,991 |
| | 8/19/13 | (9) | – | 150,000 | 2.38 | 8/20/23 | – | – |

(1) Each stock option was granted pursuant to our 2011 Stock Option and Grant Plan. Unless otherwise described in the footnotes below, the stock options are not immediately exercisable. Unless otherwise described in the footnotes below, the shares of our common stock subject to such stock options will vest over a four-year period, with 25% of the shares to vest upon completion of one year of service measured from the vesting commencement date, and the balance will vest in 36 successive equal monthly installments upon the completion of each additional month of service thereafter.

(2) Each stock award was either granted pursuant to our 2011 Stock Option and Grant Plan or pursuant to a stand-alone restricted stock purchase agreement. Unless specified otherwise, each stock award vests over a four-year period, with 25% of the shares to vest upon completion of one year of service measured from the vesting commencement date, and the balance will vest in 36 successive equal monthly installments upon the completion of each additional month of service thereafter.

(3) Amounts calculated using a per share fair market value as of December 31, 2013 of $2.72.

(4) The stock award vests over a four-year period, with 25% of the shares vesting on the grant date and the balance vesting in 48 successive equal monthly installments upon the completion of each month of service thereafter. The award has full vesting acceleration in the event there is a change in control as defined in the restricted stock purchase agreement.

(5) The stock option is immediately exercisable as of the grant date of February 9, 2012 for the first 370,370 shares subject to the option; an additional 370,370 shares are exercisable on January 1, 2013, an additional 370,370 shares are exercisable on January 1, 2014, and the remaining 277,345 shares are exercisable on January 1, 2015. The shares of stock subject to the option vest over a four-year period, with shares vesting in 48 successive equal monthly installments upon the completion of each month of service following the vesting commencement date.

(6) The equity award has full vesting acceleration in the event there is a sale event as defined in the 2011 Stock Option and Grant Plan.

(7) The equity award has full vesting acceleration in the event there is a change in control as defined in the restricted stock agreement.

(8) The equity award has full vesting acceleration in the event there is a sale event as defined in the 2011 Stock Option and Grant Plan and Mr. Pavlik' s employment is terminated without cause following the sale event.

(9) The equity award has full vesting acceleration in the event there is a sale event as defined in the 2011 Stock Option and Grant Plan and Mr. Pavlik' s employment is terminated without cause or he resigns for good reason within 12 months following the sale event.

**Executive Employment Arrangements and Other Compensation and Benefit Plans**

***Employment Agreements***

We initially entered into offer letters with each of the named executive officers in connection with his employment with the company, and have replaced these offer letters with executive agreements as further described below in connection with our initial public offering. These agreements set forth the terms and conditions of employment of each named executive officer, including base salary, target annual bonus opportunity and standard employee benefit plan participation. These agreements also contain provisions that provide for certain payments and benefits in the event of a termination of employment, including an involuntary termination of employment following a change in control of the company.

***Robert Bearden***

On October 30, 2014, we entered into an executive agreement with Mr. Bearden for the position of Chief Executive Officer. The executive agreement provides for his at-will employment and sets forth his base salary and his annual target bonus (which will be increased to $275,000 and $300,000, respectively, at such time as our board of directors determines), and eligibility for our benefit plans generally.

*Involuntary Termination of Employment*

In the event that his employment is terminated by the company without cause (as defined in the executive agreement), and subject to delivering a fully effective release of claims, he will be entitled to cash severance equal to 12 months of his then current base salary and prorated target incentive compensation for the quarter (in the case of incentive compensation paid on a quarterly basis) or the year (in the case of incentive compensation paid on an annual basis) in which the termination occurs, payable over 12 months, plus a monthly payment equal to our contribution towards health insurance for 12 months. In addition, except to the extent any equity award granted or purchased prior to September 12, 2014 contains more favorable terms, he will receive 12 months acceleration on all stock options, restricted stock, and other stock based awards held by him. Furthermore, to the extent he enters into a non-competition agreement, he will receive an additional amount of cash severance, health benefits continuation and equity acceleration based on the length of such non-competition period, which will be payable over an additional number of months equal to the non-competition period.

*Involuntary Termination of Employment in Connection with a Change in Control*

In the event that his employment is terminated by the company without cause or by the executive due to constructive termination (as defined in the executive agreement) after a change in control, then in lieu of the severance described above, and subject to delivering a fully effective release of claims, he will be entitled to a lump sum cash severance payment equal to 12 months of his then current base salary and prorated target incentive compensation for the quarter (in the case of incentive compensation paid on a quarterly basis) or the year (in the case of incentive compensation paid on an annual basis) in which the termination occurs, plus a monthly payment equal to our contribution towards health insurance for 12 months. In addition, all stock options, restricted stock and other stock based awards held by him will immediately accelerate and become fully vested upon such termination. Furthermore, to the extent he enters into a non-competition agreement, he will receive an additional amount of cash severance and health benefits continuation based on the length of such non-competition period.

The payments and benefits provided under his executive agreement in connection with a change in control may not be eligible for a federal income tax deduction for the company pursuant to

Section 280G of the Internal Revenue Code. These payments and benefits also may be subject to an excise tax under Section 4999 of the Internal Revenue Code. If the payments or benefits payable to him in connection with a change in control would be subject to the excise tax on golden parachutes imposed under Section 4999 of the Internal Revenue Code, then those payments or benefits will be reduced if such reduction would result in a higher net after-tax benefit to him.

***Herbert Cunitz***

On October 30, 2014, we entered into an executive agreement with Mr. Cunitz for the position of President and Chief Operating Officer. The executive agreement provides for his at-will employment and sets forth his base salary and his annual target bonus (which will be increased to $275,000 and $325,000, respectively, at such time as our board of directors determines) and eligibility for our benefit plans generally.

*Involuntary Termination of Employment*

In the event that his employment is terminated by the company without cause (as defined in the executive agreement), and subject to delivering a fully effective release of claims, he will be entitled to cash severance equal to six months of his then current base salary and prorated target incentive compensation for the quarter (in the case of incentive compensation paid on a quarterly basis) or the year (in the case of incentive compensation paid on an annual basis) in which the termination occurs, payable over six months, plus a monthly payment equal to our contribution towards health insurance for six months. In addition, except to the extent any equity award granted or purchased prior to September 12, 2014, contains more favorable terms, he will receive six months acceleration on all stock options, restricted stock, and other stock based awards held by him. Furthermore, to the extent he enters into a non-competition agreement, he will receive an additional amount of cash severance, health benefits continuation, and equity acceleration based on the length of such non-competition period, which will be payable over an additional number of months equal to the non-competition period.

*Involuntary Termination of Employment in Connection with a Change in Control*

In the event that his employment is terminated by the company without cause or by the executive due to constructive termination (as defined in the executive agreement) after a change in control, then in lieu of the severance described above, and subject to delivering a fully effective release of claims, he will be entitled to a lump sum cash severance payment equal to six months of his then current base salary and prorated target incentive compensation for the quarter (in the case of incentive compensation paid on a quarterly basis) or the year (in the case incentive compensation paid on an annual basis) in which the termination occurs, plus a monthly payment equal to our contribution towards health insurance for six months. In addition, all stock options, restricted stock and other stock based awards held by him will immediately accelerate and become fully vested upon such termination. Furthermore, to the extent he enters into a non-competition agreement, he will receive an additional amount of cash severance and health benefits continuation based on the length of such non-competition period.

The payments and benefits provided under his executive agreement in connection with a change in control may not be eligible for a federal income tax deduction for the company pursuant to Section 280G of the Internal Revenue Code. These payments and benefits also may be subject to an excise tax under Section 4999 of the Internal Revenue Code. If the payments or benefits payable to him in connection with a change in control would be subject to the excise tax on golden parachutes imposed under Section 4999 of the Internal Revenue Code, then those payments or benefits will be reduced if such reduction would result in a higher net after-tax benefit to him.

***Greg Pavlik***

On October 30, 2014, we entered into an executive agreement with Mr. Pavlik for the position of Vice President, Engineering. The executive agreement provides for his at-will employment and sets forth his base salary and his annual target bonus (which will be increased to $350,000 and $150,000, respectively, at such time as our board of directors determines), and eligibility for our benefit plans generally.

*Involuntary Termination of Employment*

In the event that his employment is terminated without cause (as defined in the executive agreement), and subject to delivering a fully effective release of claims, he will be entitled to cash severance equal to six months of his then current base salary and prorated target incentive compensation for the quarter (in the case of incentive compensation paid on a quarterly basis) or the year (in the case incentive compensation paid on an annual basis) in which the termination occurs, payable over six months, plus a monthly payment equal to our contribution towards health insurance for six months. In addition, except to the extent any equity award granted or purchased prior to September 12, 2014, contains more favorable terms, he will receive six months acceleration on all stock options, restricted stock, and other stock based awards held by him. Furthermore, to the extent he enters into a non-competition agreement, he will receive an additional amount of cash severance, health benefits continuation and equity acceleration based on the length of such non-competition period, which will be payable over an additional number of months equal to the non-competition period.

*Involuntary Termination of Employment in Connection with a Change in Control*

In the event that his employment is terminated by the company without cause or by the executive due to constructive termination (as defined in the executive agreement) after a change in control, then in lieu of the severance described above, and subject to delivering a fully effective release of claims, he will be entitled to a lump sum cash severance equal to six months of his then current base salary and prorated target incentive compensation for the quarter (in the case of incentive compensation paid on a quarterly basis) or the year (in the case of incentive compensation paid on an annual basis) in which the termination occurs, plus a monthly payment equal to our contribution towards health insurance for six months. In addition, all stock options, restricted stock and other stock based awards held by him will immediately accelerate and become fully vested upon such termination. Furthermore, to the extent he enters into a non-competition agreement, he will receive an additional amount of cash severance and health benefits continuation based on the length of such non-competition period.

The payments and benefits provided under his executive agreement in connection with a change in control may not be eligible for a federal income tax deduction for the company pursuant to Section 280G of the Internal Revenue Code. These payments and benefits also may be subject to an excise tax under Section 4999 of the Internal Revenue Code. If the payments or benefits payable to him in connection with a change in control would be subject to the excise tax on golden parachutes imposed under Section 4999 of the Internal Revenue Code, then those payments or benefits will be reduced if such reduction would result in a higher net after-tax benefit to him.

***Offer Letters In Place In Fiscal 2013 For Named Executive Officers (to be superseded as indicated above)***

***Robert Bearden***

On June 21, 2011, we entered into an offer letter with Mr. Bearden for the position of Chief Operating Officer. Mr. Bearden subsequently became our Chief Executive Officer. The offer letter provides for his at-will employment and sets forth his initial base salary of $250,000 and target bonus

of $150,000, initial equity award of 3,500,000 shares of restricted stock and eligibility for our benefit plans generally. His compensation is subject to adjustment pursuant to our employee compensation policies from time to time.

***Shaun Connolly***

On December 5, 2011, we entered into an offer letter with Shaun Connolly for the position of Vice President, Corporate Strategy. The offer letter provides for his at-will employment and sets forth his initial base salary of $180,000 (Mr. Connolly' s current base salary is $200,000) and target bonus of $100,000, initial equity award of 444,444 shares of restricted stock and eligibility for our benefit plans generally. His compensation is subject to periodic review and adjustments at our discretion.

***Herbert Cunitz***

On September 17, 2012, we entered into an offer letter with Herbert Cunitz for the position of President and Chief Operating Officer. The offer letter provides for his at-will employment and sets forth his initial base salary of $250,000 and target bonus of $250,000, initial equity award of 2,156,525 shares of restricted stock and eligibility for our benefit plans generally. His compensation is subject to periodic review and adjustments at our discretion.

***Greg Pavlik***

On March 10, 2012, we entered into an offer letter with Greg Pavlik for the position of Vice President, Engineering. The offer letter provides for his at-will employment and sets forth his initial base salary of $275,000 (Mr. Pavlik' s current base salary is $300,000), initial equity award of 973,195 shares of restricted stock, signing bonus of $300,000 and eligibility for our benefit plans generally. Mr. Pavlik' s signing bonus is payable on the six month, first, second and third year anniversaries of his commencement of employment with us. His compensation is subject to periodic review and adjustments at our discretion.

***Equity Awards–Additional Acceleration Terms Applicable to Currently Outstanding Awards as of December 31, 2013***

In addition to the acceleration provided in their executive employment agreements, the terms of the following equity awards contain additional acceleration terms as provided below.

***Robert Bearden***

In the event of a change in control of the company, the vesting of 100% of the unvested equity awards subject to his June 2011 restricted stock grant, February 2012 options and August 2013 options will be accelerated.

***Shaun Connolly***

In the event of a change in control of the company, the vesting of 50% of the unvested equity awards subject to his December 2011 restricted stock grant and August 2012 options will be accelerated. In the event Mr. Connolly' s employment is terminated without cause or he resigns for good reason within 12 months after a change of control of the company, the vesting of 100% of the unvested equity awards subject to his December 2011 restricted stock grant and August 2012 options will be accelerated.

***Herbert Cunitz***

In the event of a change in control of the company, the vesting of 100% of the unvested equity awards subject to his September 2012 restricted stock grant will be accelerated.

***Greg Pavlik***

In the event Mr. Pavlik' s employment is terminated without cause after a change in control of the company, the vesting of 100% of the unvested equity subject to his March 2012 stock grant will be accelerated. In the event Mr. Pavlik' s employment is terminated without cause or he resigns for good reason within 12 months after a change of control of the company, the vesting of 100% of the unvested equity subject to his August 2013 option grant will be accelerated.

***2014 Stock Option and Incentive Plan***

Our 2014 Stock Option and Incentive Plan, or our 2014 Plan, was adopted by our board of directors in September 2014 and is expected to be approved by our stockholders in 2014 and will become effective immediately prior to the closing of this offering (or, if later, upon stockholder approval). The 2014 Plan will replace the 2011 Stock Option and Grant Plan as our board of directors has determined not to make additional awards under that plan following the consummation of our initial public offering. The 2014 Plan allows the compensation committee to make equity-based incentive awards to our officers, employees, directors and other key persons (including consultants).

We have initially reserved 12,000,000 shares of our common stock for the issuance of awards under the 2014 Plan, plus the shares of our common stock remaining available for issuance under our 2011 Stock Option and Grant Plan. The 2014 Plan provides that the number of shares reserved and available for issuance under the plan will automatically increase each January 1, beginning on January 1, 2015, by 5% of the outstanding number of shares of our common stock on the immediately preceding December 31 or such lesser number of shares as determined by our compensation committee. This number is subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

The shares we issue under the 2014 Plan will be authorized but unissued shares or shares that we reacquire. The shares of our common stock underlying any awards that are forfeited, cancelled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, reacquired by us prior to vesting, satisfied without the issuance of stock, expire or are otherwise terminated (other than by exercise) under the 2014 Plan and the 2011 Plan will be added back to the shares of our common stock available for issuance under the 2014 Plan.

Stock options and stock appreciation rights with respect to no more than 8,000,000 shares of our common stock may be granted to any one individual in any one calendar year and the maximum "performance-based award" payable to any one individual under the 2014 Plan is 8,000,000 shares of stock or $5 million in the case of cash-based awards. The maximum number of shares that may be issued as incentive stock options in any one calendar year period may not exceed 12,000,000 cumulatively increased on January 1, 2015 and on each January 1 thereafter by the lesser of 5% or 12,000,000 shares.

The 2014 Plan will be administered by our compensation committee. Our compensation committee has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 2014 Plan. Persons eligible to participate in the 2014 Plan will be those full or part-time officers, employees, non-employee directors and other key persons (including consultants) as selected from time to time by our compensation committee in its discretion.

The 2014 Plan permits the granting of both (1) options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and (2) options that do not so qualify.

The option exercise price of each option will be determined by our compensation committee but may not be less than 100% of the fair market value of our common stock on the date of grant. The term of each option will be fixed by our compensation committee and may not exceed ten years from the date of grant. Our compensation committee will determine at what time or times each option may be exercised.

Our compensation committee may award stock appreciation rights subject to such conditions and restrictions as it may determine. Stock appreciation rights entitle the recipient to shares of our common stock, or cash, equal to the value of the appreciation in our stock price over the exercise price. The exercise price may not be less than 100% of fair market value of the common stock on the date of grant.

Our compensation committee may award restricted shares of our common stock and restricted stock units to participants subject to such conditions and restrictions as it may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with us through a specified vesting period. Our compensation committee may also grant shares of our common stock that are free from any restrictions under the 2014 Plan. Unrestricted stock may be granted to participants in recognition of past services or for other valid consideration and may be issued in lieu of cash compensation due to such participant.

Our compensation committee may grant performance share awards to participants that entitle the recipient to receive awards of common stock upon the achievement of certain performance goals and such other conditions as our compensation committee shall determine.

Our compensation committee may grant dividend equivalent rights to participants that entitle the recipient to receive credits for dividends that would be paid if the recipient had held a specified number of shares of our common stock.

Our compensation committee may grant cash bonuses under the 2014 Plan to participants, subject to the achievement of certain performance goals.

Our compensation committee may grant awards of restricted stock, restricted stock units, performance shares or cash-based awards under the 2014 Plan that are intended to qualify as ‘‘performance-based compensation’’ under Section 162(m) of the Code. Such awards will only vest or become payable upon the attainment of performance goals that are established by our compensation committee and related to one or more performance criteria. The performance criteria that could be used with respect to any such awards include: total stockholder return, earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), changes in the market price of our common stock, economic value-added, funds from operations or similar measure, sales or revenue, acquisitions or strategic transactions, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings (loss) per share of stock, sales or market shares and number of customers, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. From and after the time that we become subject to Section 162(m) of the Code, the maximum award that is intended to qualify as ‘‘performance-based compensation’’ under Section 162(m) of the Code that may be made to any one employee during any one calendar year period is 8,000,000 shares of our common stock with respect to a stock-based award and $5 million with respect to a cash-based award.

The 2014 Plan provides that upon the effectiveness of a ‘‘sale event,’’ as defined in the 2014 Plan, an acquirer or successor entity may assume, continue or substitute for the outstanding awards under the 2014 Plan. To the extent that awards granted under the 2014 Plan are not assumed or continued or substituted by the successor entity, all unvested awards granted under the 2014 Plan will terminate.

In the event of such termination, individuals holding options and stock appreciation rights will be permitted to exercise such options and stock appreciation rights (to the extent exercisable) prior to the sale event. In addition, in connection with the termination of the 2014 Plan upon a sale event, we may make or provide for a cash payment to participants holding vested and exercisable options and stock appreciation rights equal to the difference between the per share cash consideration payable to stockholders in the sale event and the exercise price of the options or stock appreciation rights.

Our board of directors may amend or discontinue the 2014 Plan and our compensation committee may amend or cancel outstanding awards for purposes of satisfying changes in law or any other lawful purpose, but no such action may adversely affect rights under an award without the holder' s consent. Certain amendments to the 2014 Plan require the approval of our stockholders.

No awards may be granted under the 2014 Plan after the date that is ten years from the date of stockholder approval of the 2014 Plan (or, in the case of incentive stock options, ten years from the date of board approval). No awards under the 2014 Plan have been made prior to the date hereof.

***2014 Employee Stock Purchase Plan***

In September 2014, our board of directors adopted and approved and we expect that our stockholders will adopt and approve the Employee Stock Purchase Plan, or the ESPP. The ESPP initially reserves and authorizes the issuance of up to a total of 5,000,000 shares of common stock to participating employees. The ESPP provides that the number of shares reserved and available for issuance will automatically increase each January 1, beginning on January 1, 2015, by the lesser of (i) 2,000,000 shares of common stock, (ii) 1% of the outstanding number of shares of our common stock on the immediately preceding December 31, or (iii) such lesser number of shares as determined by the ESPP administrator. This number is subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

All employees who we have employed for at least three months and whose customary employment is for more than 20 hours per week are eligible to participate in the ESPP. Any employee who owns 5% or more of the total combined voting power or value of all classes of stock is not eligible to purchase shares under the ESPP.

We will make one or more offerings each year to our employees to purchase shares under the ESPP. Offerings will usually begin on each January 1 and July 1 and will continue for six-month periods, referred to as offering periods. Each eligible employee may elect to participate in any offering by submitting an enrollment form at least 15 days before the relevant offering date.

Each employee who is a participant in the ESPP may purchase shares by authorizing payroll deductions of up to 10% of his or her base compensation during an offering period. Unless the participating employee has previously withdrawn from the offering, his or her accumulated payroll deductions will be used to purchase shares on the last business day of the offering period at a price equal to 85% of the fair market value of the shares on the first business day or the last business day of the offering period, whichever is lower. Under applicable tax rules, an employee may purchase no more than $25,000 worth of shares of common stock, valued at the start of the purchase period, under the ESPP in any calendar year.

The accumulated payroll deductions of any employee who is not a participant on the last day of an offering period will be refunded. An employee' s rights under the ESPP terminate upon voluntary withdrawal from the plan or when the employee ceases employment with us for any reason.

The ESPP may be terminated or amended by our board of directors at any time. An amendment that increases the number of shares of common stock that are authorized under the ESPP and certain other amendments require the approval of our shareholders.

***Senior Executive Cash Incentive Bonus Plan***

In September 2014, our board of directors adopted the Senior Executive Cash Incentive Bonus Plan, or (the Bonus Plan). The Bonus Plan provides for cash bonus payments based upon the attainment of performance targets established by our compensation committee. The payment targets will be related to financial and operational measures or objectives with respect to our company (the "Corporate Performance Goals"), as well as individual performance objectives.

Our compensation committee may select Corporate Performance Goals from among the following: cash flow (including, but not limited to, operating cash flow and free cash flow); revenue; corporate revenue; earnings before interest, taxes, depreciation and amortization; net income (loss) (either before or after interest, taxes, depreciation and/or amortization); changes in the market price of our common stock; economic value-added; acquisitions or strategic transactions; operating income (loss); return on capital, assets, equity, or investment; stockholder returns; return on sales; gross or net profit levels; productivity; expense efficiency; margins; operating efficiency; customer satisfaction; working capital; earnings (loss) per share of our common stock; bookings, new bookings or renewals; sales or market shares; number of customers; number of new customers or customer references; operating income and/or net annual recurring revenue, any of which may be measured in absolute terms, as compared to any incremental increase, in terms of growth, as compared to results of a peer group, against the market as a whole, compared to applicable market indices and/or measured on a pre-tax or post-tax basis.

Each executive officer who is selected to participate in the Bonus Plan will have a target bonus opportunity set for each performance period. The bonus formulas will be adopted in each performance period by the compensation committee and communicated to each executive. The Corporate Performance Goals will be measured at the end of each performance period after our financial reports have been published. If the Corporate Performance Goals and individual performance objectives are met, payments will be made as soon as practicable following the end of each performance period. Subject to the rights contained in any agreement between the executive officer and us, an executive officer must be employed by us on the bonus payment date to be eligible to receive a bonus payment. The Bonus Plan also permits the compensation committee to approve additional bonuses to executive officers in its sole discretion.

***2011 Stock Option and Grant Plan***

Our board of directors adopted, and our stockholders approved, our 2011 Stock Option and Grant Plan in June 2011. Our 2011 Stock Option and Grant Plan was most recently amended in March 2014. Our 2011 Stock Option and Grant Plan allows for the grant of incentive stock options to our employees and any of our parent and subsidiary corporations' employees, and for the grant of nonqualified stock options and restricted stock and restricted stock units awards to employees, officers, directors and consultants of ours and our parent and subsidiary corporations.

*Authorized Shares*. Our 2011 Stock Option and Grant Plan will be terminated in connection with this offering, and accordingly, no shares will be available for future issuance under the 2011 Stock Option and Grant Plan following the closing of this offering. Our 2011 Stock Option and Grant Plan will continue to govern outstanding awards granted thereunder.

*Plan Administration*. Our board of directors currently administers our 2011 Stock Option and Grant Plan. Subject to the provisions of our 2011 Stock Option and Grant Plan, the administrator has the power to interpret and administer our 2011 Stock Option and Grant Plan and any agreement thereunder and to determine the terms of awards (including the recipients), the number of shares subject to each award, the exercise price (if any), the vesting schedule applicable to the awards together with any vesting acceleration and the terms of the award agreement for use under our 2011 Stock Option and Grant Plan.

*Options*. Stock options may be granted under our 2011 Stock Option and Grant Plan. The exercise price per share of all options must equal at least 100% of the fair market value per share of our common stock on the date of grant. The term of an incentive stock option may not exceed ten years. An incentive stock option granted to a participant who owns more than 10% of the total combined voting power of all classes of our stock on the date of grant, or any parent or subsidiary corporations, may not have a term in excess of five years and must have an exercise price of at least 110% of the fair market value per share of our common stock on the date of grant. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or certain other property or other consideration acceptable to the administrator. After a participant' s termination of service, the participant generally may exercise his or her options, to the extent vested as of such date of termination, for thirty days after termination or such longer period of time as set forth in the applicable award agreement. If termination is due to death or disability, the option generally will remain exercisable, to the extent vested as of such date of termination, until the six month anniversary of such termination or such longer period of time as set forth in the applicable award agreement. However, in no event may an option be exercised later than the expiration of its term. If termination is for cause, then an option automatically shall terminate and be null and void upon the date of the participant' s termination.

*Restricted Stock*. Restricted stock may be granted under our 2011 Stock Option and Grant Plan. Restricted stock awards are grants of shares of our common stock that are subject to various restrictions, including restrictions on transferability and forfeiture provisions. Shares of restricted stock will vest, and the restrictions on such shares will lapse, in accordance with terms and conditions established by the administrator.

*Restricted Stock Units*. Restricted stock units may be granted under our 2011 Stock Option and Grant Plan. Restricted stock units are bookkeeping entries representing an amount equal to the fair market value of one share of our common stock. The administrator determines the terms and conditions of restricted stock units, including the number of units granted, the vesting criteria (which may include accomplishing specified performance criteria or continued service to us) and the form and timing of payment. Notwithstanding the foregoing, the administrator, in its sole discretion may accelerate the time at which certain restrictions will lapse or be removed.

*Transferability or Assignability of Awards*. Our 2011 Stock Option and Grant Plan generally does not allow for the transfer or assignment of awards, other than, at the discretion of the administrator, to us, by gift to an immediate family member, or with approval by the Board, and only the recipient of an award may exercise such an award during his or her lifetime.

*Certain Adjustments*. In the event of certain changes in our capitalization, the maximum number of shares reserved for issuance under the 2011 Stock Option and Grant Plan, the exercise prices of and the number of shares subject to outstanding options, and the purchase price of and the numbers of shares subject to outstanding awards will be proportionately adjusted, subject to any required action by our board of directors or stockholders.

The 2011 Stock Option and Grant Plan provides that upon the effectiveness of a "sale event," as defined in the 2011 Stock Option and Grant Plan, an acquirer or successor entity may assume, continue or substitute for the outstanding awards under the 2011 Stock Option and Grant Plan. To the extent that awards granted under the 2011 Stock Option and Grant Plan are not assumed or continued or substituted by the successor entity, all options and all other unvested awards granted under the 2011 Stock Option and Grant Plan (other than restricted stock and restricted stock unit awards becoming vested as a result of the sale event) shall terminate. In the event of such termination, (1) individuals holding options will be permitted, prior to the sale event, to exercise such options which are then

exercisable or will become exercisable upon the sale event, provided that the exercise of options not exercisable prior to the sale event will be subject to the consummation of the sale event and (2) such restricted stock will be purchased from the holders at the original price per share paid by the holder. In addition, in connection with a sale event, we may make or provide for a cash payment equal to (i) in the case of vested and exercisable options, the difference between the per share cash consideration payable to stockholders in the sale event and the exercise price of the options and (ii) in the case of restricted stock or restricted stock units, the per share cash consideration payable to stockholders in the sale event (payable at the time of the sale event or upon the later vesting of the awards).

Our board of directors has determined not to grant any further awards under the 2011 Stock Option and Grant Plan after the completion of the offering. Following the consummation of our initial public offering, we expect to make future awards under the 2014 Plan.

***401(k) Plan***

We maintain a tax-qualified retirement plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax-advantaged basis. Plan participants are able to defer eligible compensation subject to applicable annual Code limits. The 401(k) plan is intended to be qualified under Section 401(a) of the Code with the 401(k) plan' s related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements and indemnification arrangements, discussed, when required, in "Management" and "Executive Compensation" and the registration rights described in "Description of Capital Stock–Registration Rights," the following is a description of each transaction since April 15, 2011, the date we were incorporated, and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or exceeds $120,000; and
- any of our directors, executive officers, or holders of more than five percent of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals had or will have a direct or indirect material interest.

### Series D Preferred Stock Financing

In March and July 2014, we sold an aggregate of 12,308,100 shares of our Series D preferred stock at a purchase price of $12.1871 per share for an aggregate purchase price of $150.0 million.

All purchasers of our Series D preferred stock are entitled to specified registration rights. See "Description of Capital Stock–Registration Rights" for more information regarding these registration rights.

The following table summarizes the Series D preferred stock purchased by entities that hold more than five percent of our outstanding capital stock.

| Name of Stockholder | Shares of Series D Preferred Stock | Total Purchase Price |
|---|---|---|
| Hewlett-Packard Company(1) | 4,102,698 | $ 49,999,991 |
| Yahoo!(2) | 853,240 | 10,398,521 |
| Entities affiliated with Benchmark(3) | 785,589 | 9,574,052 |
| Entities affiliated with Index Ventures(4) | 397,049 | 4,838,876 |
| Teradata(5) | 242,722 | 2,958,077 |

(1) Hewlett-Packard Company holds more than five percent of our capital stock.
(2) Yahoo! holds more than five percent of our capital stock.
(3) Peter Fenton, a member of our board of directors, is a General Partner of Benchmark. Entities affiliated with Benchmark collectively hold more than five percent of our capital stock.
(4) Michelangelo Volpi, a member of our board of directors, is a partner within the Index Ventures group. Entities affiliated with Index Ventures collectively hold more than five percent of our capital stock.
(5) Teradata holds more than five percent of our capital stock.

### Series C Preferred Stock Financing

In June and July 2013, we sold an aggregate of 6,708,167 shares of our Series C preferred stock at a purchase price of $7.4536 per share for an aggregate purchase price of $50.0 million.

All purchasers of our Series C preferred stock are entitled to specified registration rights. See "Description of Capital Stock–Registration Rights" for more information regarding these registration rights.

The following table summarizes the Series C preferred stock purchased by entities that hold more than five percent of our outstanding capital stock.

| Name of Stockholder | Shares of Series C Preferred Stock | Total Purchase Price |
|---|---|---|
| Teradata(1) | 2,683,267 | $ 19,999,999 |
| Yahoo!(2) | 567,061 | 4,226,646 |
| Benchmark Capital Partners VII, L.P.(3) | 522,101 | 3,891,532 |
| Entities affiliated with Index Ventures(4) | 520,797 | 3,881,813 |

(1) Teradata holds more than five percent of our capital stock.
(2) Yahoo! holds more than five percent of our capital stock.
(3) Peter Fenton, a member of our board of directors, is a General Partner of Benchmark. Entities affiliated with Benchmark collectively hold more than five percent of our capital stock.
(4) Michelangelo Volpi, a member of our board of directors, is a partner within the Index Ventures group. Entities affiliated with Index Ventures collectively hold more than five percent of our capital stock.

### Series B Preferred Stock and Common Stock Financing

In April 2012, we sold an aggregate of 1,111,111 shares of our Series B preferred stock at a purchase price of $4.50 per share and 1,754,386 shares of our common stock at a purchase price of $0.285 per share for an aggregate purchase price of approximately $5.5 million.

All purchasers of our Series B preferred stock are entitled to specified registration rights. See "Description of Capital Stock–Registration Rights" for more information regarding these registration rights.

The following table summarizes the Series B preferred stock and common stock purchased by entities that hold more than five percent of our outstanding capital stock.

| Name of Stockholder | Shares of Series B Preferred Stock | Shares of Common Stock | Total Purchase Price |
|---|---|---|---|
| Teradata(1) | 1,111,111 | 1,754,386 | $ 5,500,000 |

(1) Teradata holds more than five percent of our capital stock.

### Series B Preferred Stock Financing

In October and December 2011 and April 2012, we sold an aggregate of 5,741,673 shares of our Series B preferred stock at a purchase price of $4.50 per share for an aggregate purchase price of $25.8 million.

All purchasers of our Series B preferred stock are entitled to specified registration rights. See "Description of Capital Stock–Registration Rights" for more information regarding these registration rights.

The following table summarizes the Series B preferred stock and common stock purchased by entities that hold more than five percent of our outstanding capital stock.

| Name of Stockholder | Shares of Series B Preferred Stock | Total Purchase Price |
|---|---|---|
| Entities affiliated with Index Ventures(1) | 5,686,118 | $ 25,587,531 |

(1) Michelangelo Volpi, a member of our board of directors, is a partner within the Index Ventures group. Entities affiliated with Index Ventures collectively hold more than five percent of our capital stock.

### Series A Preferred Stock Financing and Issuance of Series A Warrant

In July 2011, we sold an aggregate of 18,030,024 shares of our Series A preferred stock at a purchase price of $1.27565 per share for an aggregate purchase price of $23.0 million.

All purchasers of our Series A preferred stock are entitled to specified registration rights. See "Description of Capital Stock–Registration Rights" for more information regarding these registration rights.

The following table summarizes the Series A preferred stock purchased by entities that hold more than five percent of our outstanding capital stock.

| Name of Stockholder | Shares of Series A Preferred Stock | Total Purchase Price |
|---|---|---|
| Benchmark Capital Partners VII, L.P.(1) | 11,758,712 | $ 15,000,001 |
| Yahoo!(2) | 6,271,312 | 7,999,999 |

(1) Peter Fenton, a member of our board of directors, is a General Partner of Benchmark. Entities affiliated with Benchmark collectively hold more than five percent of our capital stock.
(2) Yahoo! holds more than five percent of our capital stock.

In addition, in July 2011, we issued a warrant to purchase 6,500,000 shares of our Series A preferred stock, with an exercise price of $0.005 per share, to Yahoo!, in connection with our Series A financing and the transactions contemplated thereby, including commercial agreements with Yahoo! providing for support subscription offerings and certain rights to technology.

Upon exercise of the warrant, Yahoo! is entitled to specified registration rights. See "Description of Capital Stock–Registration Rights" for more information regarding these registration rights.

### Investors' Rights Agreement

On July 23, 2014, we entered into an Amended and Restated Investors' Rights Agreement, or IRA, with certain holders of our common stock and the holders of our outstanding convertible preferred stock, including Yahoo!, Teradata, entities affiliated with Benchmark and Index Ventures and Hewlett-Packard Company, which each hold more than five percent of our outstanding capital stock. As of September 30, 2014, the holders of 52,132,350 shares of our common stock, including our common stock issuable in connection with the automatic conversion of all outstanding shares of our convertible preferred stock into shares of our common stock and the holder of a warrant to purchase 6,500,000 shares of our common stock, are entitled to rights with respect to the registration of their shares following this offering under the Securities Act. See "Description of Capital Stock–Registration Rights" for more information regarding these registration rights.

### Right of First Refusal and Co-Sale Agreement

We are a party to a right of first refusal and co-sale agreement with certain of our employees, including Robert Bearden, Shaun Connolly, Herbert Cunitz and Greg Pavlik, and certain investors, including Yahoo!, Teradata, entities affiliated with Benchmark and Index Ventures and Hewlett-Packard Company, which imposes restrictions on the transfer of our capital stock. Upon the closing of this offering, the right of first refusal and co-sale agreement will terminate and the restrictions on the transfer of our capital stock set forth in this agreement will no longer apply.

### Voting Agreement

We are party to a voting agreement with certain of our employees, including Robert Bearden, Shaun Connolly, Herbert Cunitz and Greg Pavlik, and certain investors, including Yahoo!, Teradata,

entities affiliated with Benchmark and Index Ventures and Hewlett-Packard Company, under which certain holders of our capital stock have agreed to vote their shares on certain matters, including with respect to the election of members of our board of directors. Upon the closing of this offering, the voting agreement will terminate and none of our stockholders will have any special rights regarding the election or designation of members of our board of directors or the voting of our capital stock.

**Yahoo! Commercial Agreement**

In June 2011, we entered into a Commercial Agreement with Yahoo!, which holds more than five percent of our capital stock and has a representative on our board of directors. Pursuant to the agreement, we provide, among other things, development, support and update/upgrade services related to the Hortonworks Data Platform to Yahoo! For the years ended April 30, 2012 and 2013, the eight months ended December 31, 2013 and the nine months ended September 30, 2014, revenue from Yahoo! was $833,000, $1.0 million, $667,000 and $750,000, respectively. Either party may terminate the agreement under certain circumstances, including, subject to certain exceptions, if the other party breaches a material term of the agreement and fails to cure the breach within 30 days. Moreover, Yahoo! may terminate the agreement, with or without cause, upon 90 days' prior written notice. This agreement automatically renewed following the expiration of the initial term on June 30, 2014 for an additional 12-month term, and thereafter will be automatically extended for additional 12-month periods unless either party provides notice of non-renewal 60 days prior to the end of such renewal term.

**Yahoo! June 2014 Warrant**

In June 2014, as consideration for the amendment of the rights held by Yahoo! under Section 2.11 of the IRA to approve an acquisition of Hortonworks, which removed a competitor of Yahoo! from the list of companies over which Yahoo! has such blocking rights, we issued a warrant to Yahoo! giving it the right to purchase a number of shares of our common stock equal to 1% of the sum of (i) 91,170,992 plus (ii) the number of shares of Series D preferred stock (or shares of such stock issuable upon exercise of warrants to purchase such stock on an as converted to common stock basis) sold by us commencing on the date of the warrant and ending immediately prior to the occurrence of a public offering or other liquidation event. As of September 30, 2014, this warrant represented the right to purchase 952,736 shares of our common stock, subject to further adjustment for future issuances as described herein. The exercise price of the warrant is $4.23 per share.

**Teradata Agreement**

In February 2012, we entered into a Development Distribution and Marketing Agreement with Teradata Operations, Inc., or Teradata Operations, an affiliate of Teradata, which holds more than five percent of our capital stock. Pursuant to this agreement, we provide certain development services related to the Hortonworks Data Platform. In April 2012, the Company received a nonrefundable prepayment of $9.5 million from Teradata as consideration for the development services expected to be performed by us over the three-year term of the agreement. As of September 30, 2014, this prepayment had a remaining balance of $6.4 million. For the years ended April 30, 2012 and 2013, the eight months ended December 31, 2013 and the nine months ended September 30, 2014, revenue from Teradata Operations was $0, $394,000, $682,000 and $1.1 million, respectively. Either party may terminate the agreement under certain circumstances, including if the other party breaches a material term of the agreement and fails to cure the breach within 30 days. Moreover, Teradata Operations may terminate the agreement, without cause, upon 60 days' prior written notice and Hortonworks may terminate the agreement, without cause, at the end of the initial term, upon 120 days' prior written notice, and thereafter at any time upon 120 days' prior written notice. The initial term of the agreement

will continue until June 30, 2016, and will automatically be extended until terminated by either party pursuant to the terms of the agreement.

**Promissory Notes with Officers**

We entered into a promissory note with Robert Bearden, our Chief Executive Officer, in June 2011 in connection with the purchase of shares of our common stock under a restricted stock award. Pursuant to this note, we loaned Mr. Bearden $315,000. This note bore interest at the fixed rate of 2.27% per annum. The principal amount and accrued interest due under the note was paid in full in October 2014.

We entered into a promissory note with Shaun Connolly, our Vice President of Corporate Strategy in December 2011 in connection with the purchase of shares of our common stock under a restricted stock award. Pursuant to this note, we loaned Mr. Connolly $120,000. This note bore interest at the fixed rate of 2.27% per annum. The principal amount and accrued interest due under the note was paid in full in September 2014.

We entered into two promissory notes with Herbert Cunitz, our President, in October 2012 and February 2014, both in connection with the purchase of shares of our common stock under restricted stock awards. Pursuant to the notes, we loaned Mr. Cunitz $1,380,176 and $1,857,683, respectively. The notes bore interest at the fixed rates of 2.36% per annum and 1.97% per annum, respectively. The principal amount and accrued interest due under each note was paid in full in October 2014 in connection with the 2014 Stock Repurchase described below under "–Repurchase of Common Stock and Termination of Promissory Notes with Officers."

We entered into a promissory note with Greg Pavlik, our Vice President of Engineering, in May 2012 in connection with the purchase of shares of our common stock under a restricted stock award. Pursuant to this note, we loaned Mr. Pavlik $277,361. This note bore interest at the fixed rate of 2.89% per annum. The principal amount and accrued interest due under the note was paid in full in October 2014 in connection with the 2014 Stock Repurchase described below under "–Repurchase of Common Stock and Termination of Promissory Notes with Officers."

**Third-Party Stock Sales**

In October 2014, certain of our employees, including Robert Bearden, our Chief Executive Officer and a member of our Board of Directors, and Shaun Connolly, our Vice President, Corporate Strategy, sold an aggregate of 1,000,000 shares of our common stock to certain third parties for $10.00 per share, or an aggregate purchase price of $10,000,000. Mr. Bearden sold an aggregate of 300,000 shares of our common stock to certain holders of our capital stock, including entities affiliated with Index Ventures for $10.00 per share, or an aggregate purchase price of $3,000,000. Mr. Connolly sold an aggregate of 150,000 shares for $10.00 per share, or an aggregate purchase price of $1,500,000.

**Repurchase of Common Stock and Termination of Promissory Notes with Officers**

In October 2014, our board of directors approved the repurchase of an aggregate of 308,624 shares of our common stock from certain of our employees, including Herb Cunitz, our President, and Greg Pavlik, our Vice President of Engineering, for $9.88 per share for a total purchase price of approximately $3.0 million. We refer to this transaction as the "2014 Stock Repurchase."

In connection with the 2014 Stock Repurchase, we repurchased 181,676 shares of our common stock from Mr. Cunitz, for an aggregate purchase price of approximately $1.8 million. We paid the

purchase price payable to Mr. Cunitz through the cancellation of approximately $1.8 million of the outstanding principal and accrued but unpaid interest due from Mr. Cunitz to us under the terms of two promissory notes, dated October 2012 and February 2014, issued by Mr. Cunitz to us in the original principal amounts of $1,380,176 and $1,857,683, respectively, which are discussed in more detail above under "–Promissory Notes with Officers." Upon the completion of the stock repurchase from Mr. Cunitz, the entirety of the debts owed by Mr. Cunitz to us under the promissory notes was automatically cancelled and deemed paid and satisfied in full.

In addition, in connection with the 2014 Stock Repurchase, we repurchased 28,438 shares of our common stock from Mr. Pavlik, for an aggregate purchase price of approximately $0.3 million. We paid the purchase price payable to Mr. Pavlik through the cancellation of approximately $0.3 million of the outstanding principal and accrued but unpaid interest due from Mr. Pavlik to us under the terms of a promissory note, dated May 2012, issued by Mr. Pavlik to us in the original principal amount of $277,361, which is discussed in more detail above under "–Promissory Notes with Officers." Upon the completion of the stock repurchase from Mr. Pavlik, the entirety of the debt owed by Mr. Pavlik to us under the promissory note was automatically cancelled and deemed paid and satisfied in full.

### Other Transactions

We have granted stock options to our executive officers and certain of our directors. See "Executive Compensation" and "Management–Non-Employee Director Compensation" for a description of these options.

We have entered into change in control arrangements with certain of our executive officers that, among other things, provide for certain severance and change in control benefits. See "Executive Compensation–Executive Employment Arrangements and Other Compensation and Benefit Plans" for more information regarding these agreements.

Other than as described above under "Certain Relationships and Related Party Transactions," since April 15, 2011, we have not entered into any transactions, nor are there any currently proposed transactions, between us and a related party where the amount involved exceeds, or would exceed, $120,000, and in which any related party had or will have a direct or indirect material interest. We believe the terms of the transactions described above were comparable to terms we could have obtained in arm' s-length dealings with unrelated third parties.

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

Prior to the completion of this offering, we expect to adopt an amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

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

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

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

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

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

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

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

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

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

## Policies and Procedures for Related Party Transactions

Following the completion of this offering, the audit committee will have the primary responsibility for reviewing and approving or disapproving ‘‘related party transactions,’’ which are transactions between us and related parties in which the aggregate amount involved exceeds or may be expected to exceed $120,000 and in which a related party has or will have a direct or indirect material interest. For purposes of this policy, a related party will be defined as a director, executive officer, nominee for director or greater than five percent beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and their immediate family members. Our audit committee charter will provide that the audit committee shall review and approve or disapprove any related party transactions. As of the date of this prospectus, we have not adopted any formal standards, policies or procedures governing the review and approval of related party transactions, but we expect that our audit committee will do so in the future.

## PRINCIPAL STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of October 15, 2014, and as adjusted to reflect the sale of common stock offered by us in this offering assuming no exercise of the underwriters' option to purchase additional shares, for:

- each of our named executive officers;
- each of our directors;
- all of our directors and executive officers as a group; and
- each person known by us to be the beneficial owner of more than five percent of any class of our voting securities.

We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. We have deemed shares of our common stock subject to options and the exercise of warrants that are currently exercisable or exercisable within 60 days of October 15, 2014 to be outstanding and to be beneficially owned by the person holding such options for the purpose of computing the percentage ownership of that person but have not treated them as outstanding for the purpose of computing the percentage ownership of any other person.

We have based percentage ownership of our common stock before this offering on 69,753,395 shares of our common stock outstanding as of October 15, 2014, which includes 43,899,075 shares of our common stock resulting from the automatic conversion of all outstanding shares of our convertible preferred stock upon the completion of this offering, as if this conversion had occurred as of October 15, 2014. Percentage ownership of our common stock after this offering assumes our sale of shares of our common stock in this offering.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Hortonworks, Inc., 3460 W. Bayshore Road, Palo Alto, California 94303.

| | Shares Beneficially Owned Prior to Offering | | Shares Beneficially Owned After the Offering | |
|---|---|---|---|---|
| | Number | Percentage | Number | Percentage |
| **Named Executive Officers and Directors:** | | | | |
| Robert Bearden(1) | 4,798,660 | 6.8 % | | |
| Herbert Cunitz(2) | 2,755,388 | 4.0 % | | |
| Shaun Connolly(3) | 586,110 | * | | |
| Greg Pavlik(4) | 991,632 | 1.4 % | | |
| Paul Cormier(5) | 197,395 | * | | |
| Peter Fenton(6) | 13,066,402 | 18.7 % | | |
| Martin Fink | – | * | | |
| Kevin Klausmeyer(7) | 16,037 | * | | |
| Jay Rossiter | – | * | | |
| Michelangelo Volpi(8) | 6,653,964 | 9.5 % | | |
| All directors and executive officers as a group (11 persons)(9) | 29,124,653 | 40.8 % | | |

| | Shares Beneficially Owned Prior to Offering | | Shares Beneficially Owned After the Offering | |
|---|---|---|---|---|
| | Number | Percentage | Number | Percentage |
| **5% Stockholders:** | | | | |
| Entities affiliated with Benchmark(10) | 13,066,402 | 18.7 % | | |
| Yahoo!(11) | 15,144,349 | 19.6 % | | |
| Entities affiliated with Index Ventures(12) | 6,653,964 | 9.5 % | | |
| Teradata(13) | 5,791,486 | 8.3 % | | |
| Hewlett-Packard Company(14) | 4,102,698 | 5.9 % | | |

* Less than one percent (1%).

(1) Consists of (i) 3,500,000 shares held of record by Robert Gene Bearden Jr. Grantor Retained Annuity Trust, in which Mr. Bearden shares voting and dispositive power and (ii) 1,298,660 shares subject to outstanding options which are exercisable within 60 days of October 15, 2014.

(2) Consists of 2,755,388 shares held of record.

(3) Consists of (i) 294,444 shares held of record and (ii) 291,666 shares subject to outstanding options which are exercisable within 60 days of October 15, 2014.

(4) Consists of (i) 944,757 shares held of record and (ii) 46,875 shares subject to outstanding options which are exercisable within 60 days of October 15, 2014.

(5) Consists of (i) 183,333 shares held of record and (ii) 14,062 shares subject to outstanding options which are exercisable within 60 days of October 15, 2014.

(6) Consists of the shares listed in footnote 10 below which are held of record by Benchmark Capital Partners VI, L.P. and Benchmark Capital Partners VII, L.P. Mr. Fenton is a managing member of Benchmark Capital Management Co. VI, L.L.C., the general partner of Benchmark Capital Partners VI, L.P. and of Benchmark Capital Management Co. VII, L.L.C., the general partner of Benchmark Capital Partners VII, L.P., and, therefore, may be deemed to hold voting and dispositive power over the shares held by Benchmark Capital Partners VI, L.P. and Benchmark Capital Partners VII, L.P.

(7) Consists of 16,037 shares subject to outstanding options exercisable within 60 days of October 15, 2014.

(8) Mr. Volpi is a partner within the Index Ventures group. Advisors within the Index Ventures group provide advice to Index Ventures IV (Jersey), L.P., Index Ventures IV Parallel Entrepreneur Fund (Jersey), L.P., Index Ventures V (Jersey), L.P., Index Ventures V Parallel Entrepreneur Fund (Jersey), L.P. and Yucca (Jersey) SLP (the ‘‘Index Funds’’). Mr. Volpi is involved in making recommendations to the Index Funds, but does not hold voting or dispositive power over the shares held by the Index Funds.

(9) Consists of (i) 27,457,353 shares held of record by our current directors and executive officers and (ii) 1,667,300 shares issuable pursuant to outstanding stock options which are exercisable within 60 days of October 15, 2014.

(10) Consists of (i) 392,794 shares held of record by Benchmark Capital Partners VI, L.P., or BCP VI, for itself and as nominee for Benchmark Founders’ Fund VI, L.P., or BFF VI, Benchmark Founders’ Fund VI-B, L.P., or BFF VI-B, and related individuals and (ii) 12,673,608 shares held of record by Benchmark Capital Partner VII, L.P, or BCP VII, for itself and as nominee for Benchmark Founders’ Fund VII, L.P., or BFF VII, Benchmark Founders’ Fund VII-B, L.P., or BFF VII-B. Benchmark Capital Management Co. VI, L.L.C., or BCMC VI, is the general partner of each of BCP VI, BFF VI and BFF VI-B. Benchmark Capital Management Co. VII, L.L.C., or BCMC VII, is the general partner of BCP VII, BFF VII and BFF VII-B. Mr. Fenton, Alexandre Balkanski, Matthew R. Cohler, Bruce W. Dunlevie, J. William Gurley, Kevin R. Harvey, Robert C. Kagle, Steven M. Spurlock, and Mitchell H. Lasky are the managing members of BCMC VI and, therefore, may be deemed to hold voting and dispositive power over the shares held by BCP VI. Mr. Fenton, Matthew R. Cohler, Bruce W. Dunlevie, J. William Gurley, Kevin R. Harvey, Robert C. Kagle, Steven M. Spurlock, and Mitchell H. Lasky are the managing members of BCMC VII and, therefore, may be deemed to hold voting and dispositive power over the shares held by BCP VII. The address for these entities is 2965 Woodside Road, Woodside, CA 94062.

(11) Consists of (i) 7,691,613 shares held of record, (ii) 6,500,000 shares subject to an outstanding warrant which is exercisable upon the completion of this offering and (iii) 952,736 shares subject to an outstanding warrant which is exercisable upon the completion of this offering. The address for Yahoo! is 701 First Avenue, Sunnyvale, CA 94089. Yahoo! is a public company listed on the NASDAQ Global Select Market.

(12) Consists of (i) 3,014,253 shares held of record by Index Ventures IV (Jersey), L.P., (ii) 286,113 shares held of record by Index Ventures IV Parallel Entrepreneur Fund (Jersey), L.P., (iii) 3,258,996 shares held of record by Index Ventures V (Jersey), L.P., (iv) 26,400 shares held of record by Index Ventures V Parallel Entrepreneur Fund (Jersey), L.P. and (v) 68,202 shares held of record by Yucca (Jersey) SLP. Index Ventures Associates IV Limited, or IVA IV, is the general partner of Index Ventures IV (Jersey), L.P. and Index Ventures IV Parallel Entrepreneur Fund (Jersey), L.P. Index Ventures Associates V Limited, or IVA V, is the general partner of Index Ventures V (Jersey), L.P. and Index Ventures V Parallel Entrepreneur Fund (Jersey), L.P. Yucca (Jersey) SLP is a co-investment vehicle that is contractually required to mirror the Index Funds’ investment. Bernard Dallé, David Hall, Paul Willing, Phil Balderson and Sinéad Meehan are the members of the board of directors of IVA IV and IVA V and may be deemed to have shared voting, investment and dispositive power with respect to the shares held by these entities. Advisors within the Index Ventures group provide advice to the Index

Funds but do not have any voting, investment and dispositive power with respect to the shares held by these entities. Mr. Volpi, who is a member of our board of directors, is a partner within the Index Ventures group. The principal address of the Index Funds and Yucca (Jersey) SLP is Ogier House, The Esplanade, St Helier, Jersey JE4 9WG, Channel Islands.

(13) Consists of 5,791,486 shares held of record. The address for Teradata is 10000 Innovation Drive, Dayton, OH 45342. Teradata is a public company listed on the New York Stock Exchange.

(14) Consists of 4,102,698 shares held of record. The address for Hewlett-Packard Company is 3000 Hanover Street, Palo Alto, California 94304. Hewlett-Packard Company is a public company listed on the New York Stock Exchange.

## DESCRIPTION OF CAPITAL STOCK

### General

The following description summarizes the most important terms of our capital stock, as they are expected to be in effect upon the completion of this offering. We expect to adopt an amended and restated certificate of incorporation and amended and restated bylaws in connection with this offering, and this description summarizes the provisions that are expected to be included in such documents. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this "Description of Capital Stock," you should refer to our amended and restated certificate of incorporation and amended and restated bylaws and the IRA, which are or will be included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law. Upon the completion of this offering, our authorized capital stock will consist of 500,000,000 shares of our common stock, $0.0001 par value per share, and 25,000,000 shares of our undesignated preferred stock, $0.0001 par value per share.

Assuming the automatic conversion of all outstanding shares of our convertible preferred stock into shares of our common stock, which conversion will occur upon the completion of this offering, as of September 30, 2014, there were 69,762,019 shares of our common stock outstanding, held by 143 stockholders of record, and no shares of our convertible preferred stock outstanding. Our board of directors is authorized, without stockholder approval except as required by the listing standards of NASDAQ, to issue additional shares of our capital stock.

### Common Stock

#### *Dividend Rights*

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine. See "Dividend Policy" for more information regarding dividend rights.

#### *Voting Rights*

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. We have not provided for cumulative voting for the election of directors in our amended and restated certificate of incorporation. Our amended and restated certificate of incorporation establishes a classified board of directors that is divided into three classes with staggered three-year terms. Only the directors in one class will be subject to election by a plurality of the votes cast at each annual meeting of our stockholders, with the directors in the other classes continuing for the remainder of their respective three-year terms.

#### *No Preemptive or Similar Rights*

Our common stock is not entitled to preemptive rights, and is not subject to conversion, redemption or sinking fund provisions.

#### *Right to Receive Liquidation Distributions*

If we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock

and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

***Fully Paid and Non-Assessable***

All of the outstanding shares of our common stock are, and the shares of our common stock to be issued pursuant to this offering will be, fully paid and non-assessable.

**Preferred Stock**

Following the closing of this offering, no shares of our convertible preferred stock will be outstanding. Pursuant to our amended and restated certificate of incorporation, our board of directors will be authorized, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series, and to fix the designation, powers, preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions, in each case without further vote or action by our stockholders. Our board of directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control of our company and might adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock. We have no current plan to issue any shares of preferred stock.

**Options**

As of September 30, 2014, we had outstanding options to purchase an aggregate of 27,481,340 shares of our common stock, with a weighted average exercise price of $3.70 per share, pursuant to our 2011 Stock Option and Grant Plan, which was adopted in June 2011 and last amended in April 2013.

**Warrants**

As of September 30, 2014, we had an outstanding warrant to purchase 6,500,000 shares of our Series A preferred stock, with an exercise price of $0.005 per share, and such Series A preferred stock is currently convertible to common stock on a one-for-one basis. Following the completion of this offering, the warrant will be exercisable for common stock. The warrant contains provisions for the adjustment of the exercise price and the number of shares issuable upon exercise in the event of stock dividends, stock splits, reclassifications, reorganizations or other events. If not exercised, this warrant will expire on June 30, 2020.

As of September 30, 2014, we also had an outstanding warrant to purchase a number of shares of our common stock equal to 1% of the sum of (i) 91,170,992 plus (ii) the number of shares of Series D preferred stock (or shares of such stock issuable upon exercise of warrants to purchase such stock on an as converted to common stock basis) sold by us prior to the completion of a public offering or other liquidation event, at an exercise price of $4.23 per share. As of September 30, 2014, this warrant represented the right to purchase 952,736 shares of our common stock, subject to further adjustment for future issuances as described herein. The warrant contains provisions for the adjustment of the exercise

price and the number of shares issuable upon exercise in the event of stock dividends, stock splits, reclassifications, reorganizations or other events. If not exercised, this warrant will expire on June 9, 2023.

## Registration Rights

After the completion of this offering, certain holders of our common stock will be entitled to rights with respect to the registration of their shares under the Securities Act. These registration rights are contained in our IRA. We, along with certain holders of our common stock and the holders of our preferred stock are parties to the IRA. The registration rights set forth in the IRA will expire (a) five years following the completion of this offering, (b) with respect to any particular stockholder, such earlier time when (i) such stockholder is able to sell all of its shares pursuant to Rule 144(b)(1)(i) of the Securities Act or (ii) such stockholder holds one percent or less of our outstanding capital stock and all registrable securities held by such holder (together with any affiliate of the holder with whom such holder must aggregate its sales under Rule 144) can be sold in any three month period without registration in compliance with Rule 144, or (c) the consummation of certain liquidation events. We will pay the registration expenses (other than underwriting discounts and commissions) of the holders of the shares registered pursuant to the registrations described below. In an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include. In connection with this offering, each stockholder that has registration rights agreed not to sell or otherwise dispose of any securities without the prior written consent of the underwriters for a period of 180 days after the date of this prospectus. See ‘‘Underwriters’’ for more information regarding such restrictions.

### *Demand Registration Rights*

After the completion of this offering, the holders of approximately 44,679,614 shares of our common stock and the holder of warrants to purchase 6,500,000 shares of our common stock and 952,736 shares of our common stock will be entitled to certain demand registration rights, subject to certain marketing and other limitations. If we determine that it would be seriously detrimental to us and our stockholders to effect such a demand registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days. Additionally, we will not be required to effect a demand registration during the period beginning 60 days prior to our good faith estimate of the date of the filing of, and ending on a date that is 180 days following the effectiveness of, a registration statement relating to the public offering of our common stock. We are not required to effect more than two demand registrations under the IRA.

### *Piggyback Registration Rights*

After the completion of this offering, if we propose to register the offer and sale of our common stock under the Securities Act, in connection with the public offering of such common stock the holders of up to approximately 44,679,614 shares of our common stock and the holder of warrants to purchase 6,500,000 shares of our common stock and 952,736 shares of our common stock will be entitled to certain ‘‘piggyback’’ registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (i) a demand registration, (ii) a registration relating solely to the sale of securities of participants in a Company stock plan, (iii) a registration relating to a corporate reorganization or transaction under Rule 145 of the Securities Act, (iv) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of registrable securities or (v) a registration in which the only common stock being registered is common stock issuable upon conversion of debt securities that are
also being registered, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

***S-3 Registration Rights***

After the completion of this offering, the holders of up to approximately 44,679,614 shares of our common stock and the holder of warrants to purchase 6,500,000 shares of our common stock and 952,736 shares of our common stock may make a written request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3 so long as the request is received from holders of at least 30% of the registrable securities then outstanding and the anticipated aggregate offering price of the shares to be registered by the holders requesting registration, net of underwriting discounts and commissions, is at least $5.0 million. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 under certain circumstances, including if we have effected two such registrations within the 12-month period preceding the date of the request. Additionally, if we determine that it would be seriously detrimental to us and our stockholders to effect such a registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days.

## Allocation Agreement

In connection with our Series D preferred stock financing in March 2014, we entered into an allocation agreement with one of our investors in the financing, Passport Capital, LLC, or Passport, pursuant to which we granted Passport the right to purchase from us up to 7.5% of the aggregate number of shares sold in a public offering (excluding shares for which the underwriters have an option to purchase), subject to the terms and conditions of the allocation agreement and compliance with applicable securities laws. If the managing underwriters of any such public offering determine in good faith that the purchase by Passport of such number of shares in the public offering would be detrimental to the public offering, then the managing underwriters may, in their sole discretion, reduce the number of shares that Passport may purchase. Under certain circumstances, including if the public offering occurs prior to March 24, 2015, or if the right to purchase shares in the public offering conflicts with applicable securities laws, or if some other legal impediment or requirement would prevent or materially delay the consummation of or unreasonably interfere with either such offering or the purchase of the shares by Passport in such offering, then instead of the right to purchase shares in the public offering, Passport would have the right to purchase the same number of shares, at the same purchase price the shares in the public offering are sold to the public, in a separate and concurrent private placement transaction. In addition, to the extent that the underwriters decide, in their sole discretion as described above, to reduce the number of shares that Passport may purchase in the public offering, then Passport will have the right to purchase the balance of the shares that Passport is not given the opportunity to purchase in the public offering in a separate and concurrent private placement transaction.

## Anti-Takeover Provisions

The provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws, which are summarized below, may have the effect of delaying, deferring or discouraging another person from acquiring control of our company. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

***Delaware Law***

We are governed by the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

prior to the date of the transaction, our board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;

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

at or subsequent to the date of the transaction, the business combination is approved by our board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding stock that is not owned by the interested stockholder.

In general, a "business combination" includes mergers, asset or stock sales, or other transactions or series of transactions resulting in a financial benefit to the interested stock stockholder. An "interested stockholder" is an entity or person who, together with its affiliates and associates, owns, or is an affiliate or associate of the corporation and within three years of determination of interested stockholder status did own, 15% or more of the corporation's outstanding voting stock. These provisions may have the effect of delaying, deferring or preventing a change in our control. We also anticipate that Section 203 may discourage attempts that might result in a premium over the market price for the shares of our common stock held by stockholders.

***Amended and Restated Certificate of Incorporation and Amended and Restated Bylaw Provisions***

Our restated certificate of incorporation and our restated bylaws include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our board of directors or management team or discourage lawsuits against our directors and officers, including the following:

*Board of Directors Vacancies.* Our amended and restated certificate of incorporation and amended and restated bylaws authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This makes it more difficult to change the composition of our board of directors and promotes continuity of management.

*Classified Board.* Our amended and restated certificate of incorporation and amended and restated bylaws provide that our board of directors is classified into three classes of directors. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors. See "Management–Board of Directors Composition."

*Stockholder Action; Special Meeting of Stockholders.* Our amended and restated certificate of incorporation provides that our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. As a result, a holder

controlling a majority of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws. Our amended and restated bylaws will further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the Chairman of our board of directors, our Chief Executive Officer or our President, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

*Advance Notice Requirements for Stockholder Proposals and Director Nominations.* Our amended and restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws will also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

*No Cumulative Voting.* The Delaware General Corporation Law provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not provide for cumulative voting.

*Directors Removed Only for Cause.* Our amended and restated certificate of incorporation provides that stockholders may remove directors only for cause.

*Amendment of Charter Provisions.* Any amendment of the above provisions in our amended and restated certificate of incorporation would require approval by holders of at least two-thirds of our then-outstanding common stock.

*Issuance of Undesignated Preferred Stock*. Our board of directors has the authority, without further action by the stockholders, to issue up to 25 million shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest, or other means.

*Exclusive Jurisdiction for Certain Actions*. Our certificate of incorporation and bylaws, as amended and restated in connection with this offering, provide that, unless we consent 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 (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, or (iv) any action asserting a claim against us governed by the internal affairs doctrine. Although we believe this provision benefits us by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against our directors and officers. The enforceability of similar exclusive forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could rule that this provision in our certificate of incorporation is inapplicable or unenforceable.

## Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our common stock will be Computershare Trust Company, N.A.

## Listing

We intend to apply for the listing of our common stock on the NASDAQ Global Select Market under the symbol "HDP."

## SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Following the completion of this offering, based on the number of shares of our capital stock outstanding as of September 30, 2014, we will have a total of shares of our common stock outstanding. Of these outstanding shares, all of the shares of our common stock sold in this offering will be freely tradable, except that any shares purchased in this offering by our affiliates, as that term is defined in Rule 144 under the Securities Act, would only be able to be sold in compliance with the Rule 144 limitations described below.

The remaining outstanding shares of our common stock will be deemed "restricted securities" as defined in Rule 144. Restricted securities may be sold in the public market only if they are registered or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. In addition, all of our executive officers, directors, and holders of substantially all of our common stock and securities convertible into or exchangeable for our common stock have entered into market standoff agreements with us or lock-up agreements with the underwriters under which they have agreed, subject to specific exceptions, not to sell any of our stock for at least 180 days following the date of this prospectus. As a result of these agreements and the provisions of the IRA described above under "Description of Capital Stock–Registration Rights," subject to the provisions of Rule 144 or Rule 701, based on an assumed offering date of September 30, 2014, shares will be available for sale in the public market as follows:

- beginning on the date of this prospectus, the shares of our common stock sold in this offering will be immediately available for sale in the public market;
- beginning 181 days after the date of this prospectus, subject to extension as described in "Underwriting" below, additional shares of our common stock will become eligible for sale in the public market, of which shares will be held by affiliates and subject to the volume and other restrictions of Rule 144, as described below; and
- the remainder of the shares of our common stock will be eligible for sale in the public market from time to time thereafter, subject in some cases to the volume and other restrictions of Rule 144, as described below.

### Lock-Up Agreements

We, our executive officers, directors and holders of substantially all of our common stock and securities convertible into or exchangeable for our common stock, have agreed or will agree that, subject to certain exceptions, for a period of 180 days from the date of this prospectus, we and they will not, without the prior written consent of Goldman, Sachs & Co.:

- offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Act relating to, any of our securities that are substantially similar to shares of our common stock, including but not limited to, any options or

warrants to purchase shares of our common stock or any securities that are convertible into, exchangeable for, or that represent the right to receive, shares of our common stock or any such substantially similar securities, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing; or

enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of our common stock or any such other securities;

whether any such transaction described above is to be settled by delivery of our common stock or such other securities, in cash or otherwise. Goldman, Sachs & Co. may, in its discretion, release any of the securities subject to these lock-up agreements at any time.

The restrictions described in the paragraph above do not apply to the issuance, in an amount not exceeding 5% of our common stock issued and outstanding immediately following the completion of this offering (which may include additional shares issued in a private placement pursuant to the Allocation Agreement described under "Description of Capital Stock- Allocation Agreement"), of shares of our common stock, or any security convertible into or exercisable for shares of our common stock, issued in connection with: (a) the acquisition by us or any of our subsidiaries of the securities, business, property or other assets of another person or entity or pursuant to an employee benefit plan assumed by us in connection with such acquisition or (b) joint ventures, commercial relationships or other strategic transactions; provided that in either of these cases we will: (i) cause each recipient of such securities to execute and deliver, on or prior to the issuance of such securities, a lock-up agreement on substantially the same terms as the lock-up agreements described in the paragraph above for the remainder of the 180-day period following the date of this prospectus and (ii) enter stop transfer instructions on such securities with our transfer agent and registrar.

**Rule 144**

In general, under Rule 144 as currently in effect, once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon expiration of the lock-up agreements described above, within any three-month period, a number of shares that does not exceed the greater of:

one percent of the number of shares of our common stock then outstanding, which will equal shares immediately after this offering; or

the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

### Rule 701

Rule 701 generally allows a stockholder who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the 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 affiliates of our company 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 such shares pursuant to Rule 701.

As of September 30, 2014, 7,142,687 shares of our outstanding common stock had been issued in reliance on Rule 701 as a result of exercises of stock options and stock awards.

### Registration Rights

Pursuant to the IRA, the holders of up to 44,679,614 shares of our common stock (including shares of our common stock issuable upon the conversion of our outstanding convertible preferred stock upon the completion of this offering) and the holder of warrants to purchase 6,500,000 shares of our common stock and 952,736 shares of our common stock, or their transferees, will be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. See "Description of Capital Stock–Registration Rights" for a description of these registration rights. If the offer and sale of these shares is registered, the shares will be freely tradable without restriction under the Securities Act, and a large number of shares may be sold into the public market.

### Registration Statement on Form S-8

We intend to file a registration statement on Form S-8 under the Securities Act to register all of the shares of our common stock issued or reserved for issuance under our 2011 Stock Option and Grant Plan and our 2014 Stock Option and Incentive Plan. We expect to file this registration statement as promptly as possible after the completion of this offering. Shares covered by this registration statement will be eligible for sale in the public market, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions and any applicable lock-up agreements and market standoff agreements.

### Stock Options

As of September 30, 2014, options to purchase a total of 27,481,340 shares of our common stock pursuant to our 2011 Stock Option and Grant Plan were outstanding, of which options to purchase 7,187,786 shares were exercisable, and no options were outstanding or exercisable under our 2014 Stock Option and Incentive Plan. We intend to file a registration statement on Form S-8 under the Securities Act as promptly as possible after the completion of this offering to register shares that may be issued pursuant to our 2011 Stock Option and Grant and our 2014 Stock Option and Incentive Plan. The registration statement on Form S-8 is expected to become effective immediately upon filing, and shares covered by the registration statement will then become eligible for sale in the public market, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions and any applicable lock-up agreements and market standoff agreements. See "Executive Compensation–Employee Benefit and Stock Plans" for a description of our equity incentive plans.

## CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a summary of certain material U.S. federal income tax considerations for non-U.S. holders (as defined below) relating to the acquisition, ownership and disposition of common stock issued pursuant to this offering. This summary deals only with common stock held as a capital asset (within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended, or the Code, by a holder and does not discuss the U.S. federal income tax considerations applicable to a holder that is subject to special treatment under U.S. federal income tax laws, including, but not limited to:

- banks, insurance companies or other financial institutions;
- persons subject to the alternative minimum tax;
- tax-exempt organizations;
- an integral part or controlled entity of a foreign sovereign;
- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than five percent of our capital stock (except to the extent specifically set forth below);
- controlled foreign corporations or passive foreign investment companies;
- certain former citizens or long-term residents of the United States;
- persons who hold our common stock as a position in a hedging transaction, ‘‘straddle,’’ ‘‘conversion transaction’’ or other risk reduction transaction;
- persons deemed to sell our common stock under the constructive sale provisions of the Code; or
- persons who hold our common stock other than as a capital asset (generally, an asset held for investment purposes).

This summary is based upon provisions of the Code, applicable U.S. Treasury regulations promulgated thereunder, published rulings and judicial decisions, all as in effect as of the date hereof. Those authorities may be changed, perhaps retroactively, or may be subject to differing interpretations, which could result in U.S. federal income tax consequences different from those discussed below. This summary does not address all aspects of U.S. federal income tax, does not deal with all tax considerations that may be relevant to non-U.S. holders in light of their personal circumstances and does not address the Medicare tax imposed on certain investment income or any state, local, foreign, gift, estate or alternative minimum tax considerations.

For purposes of this discussion, a ‘‘U.S. holder’’ is a beneficial holder of common stock that is: an individual citizen or resident of the United States; a corporation (or any 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; an estate the income of which is subject to U.S. federal income taxation regardless of its source; or a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

For purposes of this discussion a ‘‘non-U.S. holder’’ is a beneficial holder of common stock that is neither a U.S. holder nor a partnership (or any other entity or arrangement that is treated as a partnership) for U.S. federal income tax purposes. However, neither the term U.S. holder nor the term

non-U.S. holder includes any entity or other person that is subject to special treatment under the Code. If a partnership (or an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes) holds common stock, the U.S. federal income tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding common stock is urged to consult its own tax advisors.

**PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THEIR PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES IN LIGHT OF THEIR SPECIFIC SITUATIONS, AS WELL AS THE TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR NON-U.S. TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS (INCLUDING THE U.S. FEDERAL ESTATE AND GIFT TAX LAWS).**

### Distributions on our Common Stock

Distributions with respect to common stock, if any, generally will constitute dividends for U.S. federal income tax purposes to the extent paid out of current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Any portion of a distribution in excess of current or accumulated earnings and profits will be treated as a return of capital and will first be applied to reduce the holder' s tax basis in its common stock, but not below zero. Any remaining amount will then be treated as gain from the sale or exchange of the common stock and will be treated as described under ''–Disposition of our Common Stock'' below.

Distributions treated as dividends that are paid to a non-U.S. holder, if any, with respect to shares of our common stock will be subject to U.S. federal withholding tax at a rate of 30% (or lower applicable income tax treaty rate) of the gross amount of the dividends unless the dividends are effectively connected with the non-U.S. holder' s conduct of a trade or business in the United States. If a non-U.S. holder is engaged in a trade or business in the United States and dividends with respect to the common stock are effectively connected with the conduct of that trade or business and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment, then although the non-U.S. holder will generally be exempt from the 30% U.S. federal withholding tax, provided certain certification requirements are satisfied, the non-U.S. holder will be subject to U.S. federal income tax on those dividends on a net income basis at regular graduated U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. Any such effectively connected income received by a foreign corporation may, under certain circumstances, be subject to an additional branch profits tax equal to 30% (or lower applicable income tax treaty rate) of its effectively connected earnings and profits for the taxable year, as adjusted under the Code. To claim the exemption from withholding with respect to any such effectively connected income, the non-U.S. holder must generally furnish to us or our paying agent a properly executed IRS Form W-8ECI (or applicable successor form). A non-U.S. holder of shares of our common stock who wishes to claim the benefit of an exemption or reduced rate of withholding tax under an applicable treaty must furnish to us or our paying agent a valid IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or applicable successor form) certifying such holder' s qualification for the exemption or reduced rate. If a non-U.S. holder is eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty, the non-U.S. holder may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the Internal Revenue Service. Non-U.S. holders are urged to consult their tax advisors regarding their entitlement to benefits under a relevant income tax treaty.

### Disposition of our Common Stock

Non-U.S. holders may recognize gain upon the sale, exchange, redemption or other taxable disposition of common stock. Such gain generally will not be subject to U.S. federal income tax unless: (i) that gain is effectively connected with the non-U.S. holder' s conduct of a trade or business in the

United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment maintained by the non-U.S. holder); (ii) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or (iii) we are or have been a "U.S. real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the five-year period preceding the date of disposition or the holder's holding period for our common stock, and certain other requirements are met. We believe that we are not and we do not anticipate becoming a "U.S. real property holding corporation" for U.S. federal income tax purposes.

If a non-U.S. holder is an individual described in clause (i) of the preceding paragraph, the non-U.S. holder will generally be subject to tax on a net income basis at the regular graduated U.S. federal individual income tax rates in the same manner as if such holder were a resident of the United States, unless an applicable income tax treaty provides otherwise. If the non-U.S. holder is an individual described in clause (ii) of the preceding paragraph, the non-U.S. holder will generally be subject to a flat 30% tax on the gain, which may be offset by U.S. source capital losses even though the non-U.S. holder is not considered a resident of the United States, provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. If a non-U.S. holder is a foreign corporation that falls under clause (i) of the preceding paragraph, it will be subject to tax on a net income basis at the regular graduated U.S. federal corporate income tax rates in the same manner as if it were a resident of the United States and, in addition, the non-U.S. holder may be subject to the branch profits tax at a rate equal to 30% (or lower applicable income tax treaty rate) of its effectively connected earnings and profits.

### Information Reporting and Backup Withholding Tax

We report to our non-U.S. holders and the IRS the amount of dividends paid during each calendar year and the amount of any tax withheld. All distributions to holders of common stock are subject to any applicable withholding. Information-reporting requirements apply even if no withholding was required because the distributions were effectively connected with the non-U.S. holder's conduct of a United States trade or business or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Under U.S. federal income tax law, interest, dividends and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then-applicable rate. Backup withholding, however, generally will not apply to distributions to a non-U.S. holder of our common stock, provided the non-U.S. holder furnishes to us or our paying agent the required certification as to its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI (as applicable), or certain other requirements are met. Notwithstanding the foregoing, backup withholding may apply if either we or our paying agent has actual knowledge, or reason to know, that the holder is a U.S. person that is not an exempt recipient. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax and the appropriate information is timely supplied to the IRS.

### Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act, or FATCA, and guidance issued and intergovernmental agreements entered into thereunder, may impose withholding taxes on certain types of payments made to "foreign financial institutions" (as specially defined under FATCA) and certain other non-U.S. entities if certification, information reporting and other specified requirements are not met. FATCA generally imposes a 30% withholding tax on "withholdable payments" if they are paid to a foreign financial institution or to a foreign non-financial entity, unless (i) the foreign financial institution

undertakes certain diligence and reporting obligations and other specified requirements are satisfied or (ii) the foreign non-financial entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner and other specified requirements are satisfied. ‘‘Withholdable payment’’ generally means (i) any payment of interest, dividends, rents and certain other types of generally passive income if such payment is from sources within the United States and (ii) any gross proceeds from the sale or other disposition of any property of a type that can produce interest or dividends from sources within the United States (including, for example, stock and debt of U.S. corporations). Non-U.S. shareholders may be required to enter into an agreement with the U.S. Treasury relating to certain reporting, withholding and other obligations under FATCA, or may be required to comply with reporting and other compliance obligations under an intergovernmental agreement between their country of organization and the U.S. Treasury. If a shareholder does not provide us with the information necessary to comply with FATCA, it is possible that distributions to such shareholder that are attributable to withholdable payments, such as dividends, will be subject to the 30% withholding tax. Payments of gross proceeds from a sale or other disposition of common stock could also be subject to withholding unless such disposition occurs on or before December 31, 2016. Prospective investors should consult their own tax advisers regarding this legislation.

## UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co. and Credit Suisse Securities (USA) LLC are the representatives of the underwriters.

| Underwriters | Number of Shares |
|---|---|
| Goldman, Sachs & Co. | |
| Credit Suisse Securities (USA) LLC | |
| RBC Capital Markets, LLC | |
| Pacific Crest Securities LLC | |
| Wells Fargo Securities, LLC | |
| Blackstone Advisory Partners L.P. | |
| Total | |

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

| | No Exercise | Full Exercise |
|---|---|---|
| Per Share | $ | $ |
| Total | $ | $ |

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representative may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We, our officers, directors and holders of substantially all of our common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of our common stock 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 Goldman, Sachs & Co. See "Shares Eligible for Future Sale–Lock-up Agreements" for a discussion of certain transfer restrictions.

The restrictions on us described in the paragraph above do not apply to the issuance, in an amount not exceeding 5% of our common stock issued and outstanding immediately following the completion of this offering (which may include additional shares issued in a private placement pursuant to the Allocation Agreement described under "Description of Capital Stock–Allocation Agreement") of

shares of our common stock, or any security convertible into or exercisable for shares of our common stock, issued in connection with: (a) the acquisition by us or any of our subsidiaries of the securities, business, property or other assets of another person or entity or pursuant to an employee benefit plan assumed by us in connection with such acquisition or (b) joint ventures, commercial relationships or other strategic transactions; provided that in either of these cases we will: (i) cause each recipient of such securities to execute and deliver, on or prior to the issuance of such securities, a lock-up agreement on substantially the same terms as the lock-up agreements described in the paragraph above for the remainder of the 180-day period following the date of this prospectus and (ii) enter stop transfer instructions on such securities with our transfer agent and registrar.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated between us and the representative. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

An application will be made to list the common stock on the NASDAQ Global Select Market under the symbol ‘‘HDP’’.

In connection with the offering, the underwriters may purchase and sell shares of our common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A ‘‘covered short position’’ is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. ‘‘Naked’’ short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representative has repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the NASDAQ Global Select Market, in the over-the-counter market or otherwise.

**European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant underwriter or underwriters nominated by the Issuer for any such offer; or

(c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3(2) of the Prospectus Directive;

provided that no such offer of shares shall require the Issuer or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an ‘‘offer of shares to the public’’ in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

**United Kingdom**

Each underwriter has represented and agreed that:

(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 FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; 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 in, from or otherwise involving the United Kingdom.

**Hong Kong**

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32,

Laws of Hong Kong), or (ii) to ‘‘professional investors’’ within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a ‘‘prospectus’’ within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to ‘‘professional investors’’ within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

**Singapore**

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

**Japan**

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

**Expenses and Indemnification**

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered. We have also agreed to reimburse the underwriters for certain FINRA-related expenses incurred by them in connection with the offering in an amount not to exceed $30,000 as set forth in the underwriting agreement.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $ .

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

## Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

## VALIDITY OF COMMON STOCK

Goodwin Procter LLP, Menlo Park, California, which has acted as our counsel in connection with this offering, will pass upon the validity of the shares of our common stock being offered by this prospectus, and Sullivan & Cromwell LLP, Palo Alto, California will pass upon the validity of the shares of our common stock being offered by this prospectus for the underwriters.

## EXPERTS

The consolidated financial statements as of April 30, 2012 and 2013, December 31, 2013 and for the eight months ended December 31, 2013 and for each of the two years in the period ended April 30, 2013, included in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such consolidated financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

## ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of our common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document is not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act, and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC' s public reference facilities and the website of the SEC referred to above. We also maintain a website at *www.hortonworks.com*. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

**HORTONWORKS, INC.**

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Hortonworks, Inc.

Palo Alto, California

We have audited the accompanying consolidated balance sheets of Hortonworks, Inc. and subsidiaries (the ‘‘Company’’) as of December 31, 2013, April 30, 2013 and April 30, 2012, and the related consolidated statements of operations, comprehensive loss, convertible preferred stock and stockholders’ deficit, and cash flows for the eight months ended December 31, 2013, and each of the two years in the period ended April 30, 2013. These consolidated financial statements are the responsibility of the Company’ s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’ s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2013, April 30, 2013 and April 30, 2012, and the consolidated results of its operations and its cash flows for the eight months ended December 31, 2013, and each of the two years in the period ended April 30, 2013 in accordance with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the consolidated financial statements, the Company changed its fiscal year end from April 30 to December 31.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
June 26, 2014

**HORTONWORKS, INC.**

**Consolidated Balance Sheets**
***(In thousands, except share and per share data)***

| | April 30 | | | | |
|---|---|---|---|---|---|
| | 2012 | 2013 | December 31, 2013 | September 30, 2014 (unaudited) | Pro Forma Stockholders' Equity September 30, 2014 (unaudited) |
| **ASSETS** | | | | | |
| CURRENT ASSETS: | | | | | |
| Cash and cash equivalents | $27,393 | $8,698 | $ 25,304 | $ 42,733 | |
| Short-term investments | 23,957 | 9,185 | 13,205 | 68,881 | |
| Accounts receivable, net (including $45, $981, $1,648 and $1,844 as of April 30, 2012 and 2013, December 31, 2013, and September 30, 2014 (unaudited) from related parties–Note 16) | 1,076 | 6,968 | 12,712 | 21,306 | |
| Prepaid expenses and other current assets | 945 | 1,388 | 1,132 | 6,408 | |
| Total current assets | 53,371 | 26,239 | 52,353 | 139,328 | |
| Property and equipment, net | 381 | 1,050 | 1,093 | 2,201 | |
| Long-term investments | 1,011 | 1,011 | – | 15,316 | |
| Goodwill | – | – | – | 2,119 | |
| Other non-current assets | 66 | 22 | 22 | 206 | |
| Restricted cash | 200 | 957 | 975 | 1,165 | |
| TOTAL ASSETS | $55,029 | $29,279 | $ 54,443 | $ 160,335 | |
| **LIABILITIES, CONVERTIBLE PREFERRED STOCK, AND STOCKHOLDERS' DEFICIT** | | | | | |
| CURRENT LIABILITIES: | | | | | |
| Accounts payable | $149 | $1,277 | $ 2,438 | $ 3,545 | |
| Accrued compensation and benefits | 659 | 1,635 | 4,022 | 5,168 | |
| Accrued liabilities | 1,422 | 2,774 | 7,412 | 9,549 | |
| Deferred revenue (including $212, $278, $1,364 and $1,860 as of April 30, 2012 and 2013, December 31, 2013, and September 30, 2014 (unaudited) from related parties–Note 16) | 648 | 6,451 | 15,899 | 30,596 | |
| Total current liabilities | 2,878 | 12,137 | 29,771 | 48,858 | |
| Long-term deferred revenue (including $9,500, $9,100, $7,459 and $5,664 as of April 30, 2012 and 2013, December 31, 2013, and September 30, 2014 (unaudited) from related parties–Note 16) | 9,500 | 10,279 | 12,029 | 17,124 | |
| Other long-term liabilities | 20 | 24 | 16 | 1,875 | |
| Common stock warrant liability | – | – | – | 7,186 | |
| TOTAL LIABILITIES | 12,398 | 22,440 | 41,816 | 75,043 | |
| Commitments and contingencies (Note 6) | | | | | |
| Convertible preferred stock, par value of $0.0001 per share–31,382,808, 31,382,808, 38,090,975 and 50,399,075 shares authorized as of April 30, 2012 and 2013, December 31, 2013, and September 30, 2014 (unaudited); 24,882,808, 24,882,808, 31,590,975 and 43,899,075 shares issued and outstanding as of April 30, 2012 and 2013, December 31, 2013, and September 30, 2014 (unaudited), actual; aggregate liquidation preferences of $253,838 as of September 30, 2014 (unaudited), actual; no shares issued and outstanding as of September 30, 2014, pro forma (unaudited) | 53,254 | 53,254 | 103,067 | 252,614 | – |
| STOCKHOLDERS' EQUITY (DEFICIT): | | | | | |
| Common stock, par value of $0.0001 per share–63,051,614, 71,000,000, 85,000,000 and 114,500,000 shares authorized as of April 30, 2012 and 2013, December 31, 2013, and September 30, 2014 (unaudited); 2,189,837, 2,744,868, 7,092,776 and 8,929,010 shares issued and outstanding as of April 30, 2012 and 2013, December 31, 2013, and September 30, 2014 (unaudited), actual; 69,762,019 shares issued and outstanding as of September 30, 2014, pro forma (unaudited) | – | – | 1 | 1 | 5 |
| Additional paid-in capital | 886 | 1,738 | 3,950 | 13,946 | 266,556 |
| Accumulated other comprehensive income (loss) | 12 | 6 | (19) | (165) | (165) |
| Accumulated deficit | (11,521) | (48,159) | (94,372) | (181,104) | (181,104) |

| | | | | | |
|---|---|---|---|---|---|
| TOTAL STOCKHOLDERS' EQUITY (DEFICIT) | (10,623) | (46,415) | (90,440) | (167,322) | $ 85,292 |
| TOTAL LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT | $55,029 | $29,279 | $ 54,443 | $ 160,335 | |

*See the accompanying notes to the consolidated financial statements.*

**HORTONWORKS, INC.**

## Consolidated Statements of Operations
*(In thousands, except share and per share data)*

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | | | (unaudited) | | (unaudited) | |
| Support subscription and professional services revenue: | | | | | | |
| Support subscription | $1,276 | $7,739 | $3,643 | $11,415 | $10,212 | $19,190 |
| Professional services | 370 | 3,259 | 1,135 | 6,450 | 5,726 | 14,198 |
| Total support subscription and professional services revenue (including $833, $2,118, $718, $2,955, $2,693 and $6,509 as of April 30, 2012 and 2013, December 31, 2012 (unaudited) and 2013, and September 30, 2013 and 2014 (unaudited) from related parties–Note 16) | 1,646 | 10,998 | 4,778 | 17,865 | 15,938 | 33,388 |
| Cost of revenue: | | | | | | |
| Support subscription | 421 | 5,071 | 2,880 | 3,720 | 4,995 | 2,875 |
| Professional services | 974 | 5,862 | 3,053 | 9,990 | 8,493 | 19,125 |
| Total cost of revenue | 1,395 | 10,933 | 5,933 | 13,710 | 13,488 | 22,000 |
| Gross profit (loss) | 251 | 65 | (1,155) | 4,155 | 2,450 | 11,388 |
| Operating expenses: | | | | | | |
| Sales and marketing | 2,589 | 17,187 | 8,403 | 21,357 | 21,584 | 44,553 |
| Research and development | 6,881 | 12,070 | 6,768 | 14,621 | 13,752 | 26,270 |
| General and administrative | 2,384 | 7,598 | 3,487 | 14,368 | 15,583 | 17,634 |
| Contribution of acquired technology to the Apache Software Foundation | – | – | – | – | – | 3,971 |
| Total operating expenses | 11,854 | 36,855 | 18,658 | 50,346 | 50,919 | 92,428 |
| Loss from operations | (11,603) | (36,790) | (19,813) | (46,191) | (48,469) | (81,040) |
| Interest and other income | 84 | 215 | 159 | 152 | 159 | 381 |
| Other expense | (1) | (52) | (49) | (129) | (56) | (7,269) |
| Loss before income tax expense (benefit) | (11,520) | (36,627) | (19,703) | (46,168) | (48,366) | (87,928) |
| Income tax expense (benefit) | 1 | 11 | 8 | 45 | 34 | (1,196) |
| Net loss | $(11,521) | $(36,638) | $(19,711) | $(46,213) | $(48,400) | $(86,732) |
| Net loss per share of common stock, basic and diluted | $(37.15) | $(15.14) | $(8.48) | $(9.09) | $(14.37) | $(10.40) |
| Weighted-average shares used in computing net loss per share of common stock, basic and diluted | 310,105 | 2,419,502 | 2,323,761 | 5,083,600 | 3,368,335 | 8,336,102 |
| Pro forma net loss per share of common stock, basic and diluted (unaudited) | | $(1.34) | | $(1.31) | | $(1.86) |
| Weighted-average shares used in computing pro forma net loss per share of common stock, basic and diluted (unaudited) | | 27,302,310 | | 35,278,181 | | 46,719,827 |

*See the accompanying notes to the consolidated financial statements.*

**HORTONWORKS, INC.**

**Consolidated Statements of Comprehensive Loss**
***(In thousands)***

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | | | (unaudited) | | (unaudited) | |
| Net loss | $(11,521) | $(36,638) | $(19,711) | $(46,213) | $(48,400) | $(86,732) |
| Items of other comprehensive income (loss): | | | | | | |
| Unrealized gain (loss) on investments | 12 | (7) | (3) | (6) | (12) | (71) |
| Foreign currency translation adjustment | – | 1 | – | (19) | (16) | (75) |
| Total other comprehensive income (loss) | 12 | (6) | (3) | (25) | (28) | (146) |
| Total comprehensive loss | $(11,509) | $(36,644) | $(19,714) | $(46,238) | $(48,416) | $(86,878) |

*See the accompanying notes to the consolidated financial statements*

**HORTONWORKS, INC.**

**Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit**
**(In thousands, except share and per share data)**

| | Convertible Preferred Stock | | Common Stock | | Additional Paid-In Capital | Accumulated other comprehensive income (loss) | Accumulated Deficit | Total Stockholders' Deficit |
|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | | | | |
| Balance–May 1, 2011 | – | $ – | – | $ – | $ – | $ – | $ – | $ – |
| Common stock purchased by investor at $0.2875 per share in April 2012 | – | – | 1,754,386 | – | 500 | – | – | 500 |
| Exercise of stock options and vesting of early exercised stock options | – | – | 77,812 | – | 7 | – | – | 7 |
| Issuance of Series A convertible preferred stock, net of issuance costs of $346 | 17,856,612 | 22,433 | – | – | – | – | – | – |
| Issuance of Series A convertible preferred stock in exchange of the convertible promissory note | 173,412 | 220 | – | – | – | – | – | – |
| Issuance of Series B convertible preferred stock, net of issuance costs of $237 | 6,852,784 | 30,601 | – | – | – | – | – | – |
| Stock-based compensation | – | – | – | – | 322 | – | – | 322 |
| Principal payment of promissory notes for issuance of common stock | – | – | 357,639 | – | 57 | – | – | 57 |
| Other comprehensive income | – | – | – | – | – | 12 | – | 12 |
| Net loss | – | – | – | – | – | – | (11,521) | (11,521) |
| Balance–April 30, 2012 | 24,882,808 | 53,254 | 2,189,837 | – | 886 | 12 | (11,521) | (10,623) |
| Exercise of stock options and vesting of early exercised stock options | – | – | 555,031 | – | 90 | – | – | 90 |
| Stock-based compensation | – | – | – | – | 762 | – | – | 762 |
| Other comprehensive loss | – | – | – | – | – | (6) | – | (6) |
| Net loss | – | – | – | – | – | – | (36,638) | (36,638) |
| Balance–April 30, 2013 | 24,882,808 | 53,254 | 2,744,868 | – | 1,738 | 6 | (48,159) | (46,415) |
| Issuance of Series C convertible preferred stock, net of issuance costs of $186 | 6,708,167 | 49,813 | – | – | – | – | – | – |
| Exercise of stock options and vesting of early exercised stock options | – | – | 845,694 | 1 | 193 | – | – | 194 |
| Stock-based compensation | – | – | – | – | 1,327 | – | – | 1,327 |
| Issuance of common stock to related party (Note 16) | – | – | 65,044 | – | – | – | – | – |
| Contra-revenue adjustment related to share purchase agreement (Note 14) | – | – | – | – | 382 | – | – | 382 |
| Principal payment on promissory notes for issuance of common stock | – | – | 3,437,170 | – | 310 | – | – | 310 |
| Other comprehensive loss | – | – | – | – | – | (25) | – | (25) |
| Net loss | – | – | – | – | – | – | (46,213) | (46,213) |
| Balance–December 31, 2013 | 31,590,975 | 103,067 | 7,092,776 | 1 | 3,950 | (19) | (94,372) | (90,440) |
| Issuance of Series D convertible preferred stock, net of issuance costs of $453 (unaudited) | 12,308,100 | 149,547 | – | – | – | – | – | – |
| Exercise of stock options and vesting of early exercised stock options (unaudited) | – | – | 855,723 | – | 530 | – | – | 530 |
| Stock-based compensation (unaudited) | – | – | | – | 5,492 | – | – | 5,492 |
| Issuance of common stock to related party (Note 16) (unaudited) | – | – | 715,495 | – | – | – | – | – |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Contra-revenue adjustment related to share purchase agreement (unaudited) (Note 16) | – | – | – | – | 2,040 | – | – | 2,040 |
| Acquisition of XA Secure (unaudited) | – | – | 265,016 | | 1,815 | | | 1,815 |
| Principal payment on promissory notes for issuance of common stock (unaudited) | – | – | – | – | 119 | – | – | 119 |
| Other comprehensive income (unaudited) | – | – | – | – | – | (146) | – | (146) |
| Net loss (unaudited) | – | – | – | – | – | – | (86,732) | (86,732) |
| Balance–September 30, 2014 (unaudited) | 43,899,075 | $ 252,614 | 8,929,010 | $ 1 | $ 13,946 | $ (165) | $ (181,104) | $ (167,322) |

*See the accompanying notes to the consolidated financial statements.*

**HORTONWORKS, INC.**

**Consolidated Statements of Cash Flows**
**(In thousands)**

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | | | (unaudited) | | (unaudited) | |
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | | | | |
| Net loss | $(11,521) | $(36,638) | $(19,711) | $(46,213) | $(48,400) | $(86,732) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | | | | |
| Depreciation | 96 | 419 | 215 | 505 | 502 | 719 |
| Amortization of premiums from investments | 170 | 464 | 394 | 209 | 194 | 575 |
| Stock-based compensation | 322 | 762 | 416 | 1,327 | 1,022 | 5,492 |
| Contra-revenue adjustment related to share purchase agreement | – | – | – | 382 | – | 2,040 |
| Loss on disposal of assets | – | 48 | 51 | 91 | – | 88 |
| Loss on early exit of lease | | | | | | 449 |
| Contribution of acquired technology to the Apache Software Foundation | | | | | | 3,971 |
| Release of deferred tax valuation allowance | – | – | – | – | – | (1,279) |
| Common stock warrant liability, including change in fair value | – | – | – | – | – | 7,186 |
| Changes in operating assets and liabilities: | | | | | | |
| Accounts receivable | (1,075) | (5,892) | (2,118) | (5,744) | (5,482) | (8,594) |
| Prepaid expenses and other current assets | (945) | (442) | (67) | 237 | (523) | (2,108) |
| Other assets | (266) | (702) | (780) | (18) | 66 | (374) |
| Accounts payable | 148 | 1,129 | 896 | 1,161 | 1,106 | 1,107 |
| Accrued liabilities and other long-term liabilities | 1,412 | 1,326 | (391) | 4,645 | 6,821 | 1,552 |
| Accrued compensation and benefits | 658 | 976 | 911 | 2,387 | 1,096 | 1,146 |
| Deferred revenue | 10,148 | 6,582 | 4,948 | 11,198 | 8,477 | 19,792 |
| Net cash used in operating activities | (853) | (31,968) | (15,236) | (29,833) | (35,121) | (54,970) |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | | | | |
| Purchases of investments | (25,125) | (13,672) | (12,879) | (12,585) | (9,737) | (84,758) |
| Sale of investments | – | 25,728 | 2,213 | 2,161 | 1,658 | – |
| Maturity of investments | – | 2,233 | 18,518 | 7,200 | 12,210 | 13,120 |
| Purchase of XA Secure | – | – | – | – | – | (2,996) |
| Purchases of property and equipment | (477) | (1,137) | (873) | (639) | (699) | (1,884) |
| Net cash provided by (used in) investing activities | (25,602) | 13,152 | 6,979 | (3,863) | 3,432 | (76,518) |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | | | | |
| Proceeds from sale of preferred stock, net of issuance costs | 53,034 | – | – | 49,813 | 49,813 | 149,547 |
| Proceeds from issuance of common stock | 537 | 121 | 43 | 179 | 218 | 1,624 |
| Payments for deferred offering costs | – | – | – | – | – | (2,373) |
| Proceeds from issuance of convertible notes | 220 | – | – | – | – | – |
| Proceeds from payments of principal on promissory notes | 57 | – | – | 310 | 344 | 119 |
| Net cash provided by financing activities | 53,848 | 121 | 43 | 50,302 | 50,375 | 148,917 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 27,393 | (18,695) | (8,214) | 16,606 | 18,686 | 17,429 |
| CASH AND CASH EQUIVALENTS–Beginning of period | – | 27,393 | 27,393 | 8,698 | 19,179 | 25,304 |
| CASH AND CASH EQUIVALENTS–End of period | $27,393 | $8,698 | $19,179 | $25,304 | $37,865 | $42,733 |
| **SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING INFORMATION:** | | | | | | |
| Deferred offering costs recorded in accrued liabilities | $– | $– | $– | $– | $– | 870 |
| Promissory notes canceled with respect to repurchases of restricted stock | $(172) | $– | $– | $(186) | $(186) | $(173) |
| Conversion of promissory note to Series A convertible preferred stock | $221 | $– | $– | $– | $– | $– |
| Shares issued to purchase XA Secure | $– | $– | $– | $– | $– | $1,815 |

*See the accompanying notes to the consolidated financial statements.*

**HORTONWORKS, INC.**

**Notes to Consolidated Financial Statements**

## 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Hortonworks, Inc. (the "Company") was incorporated in Delaware on April 15, 2011, and is focused on the development, distribution and support of the Hadoop open source project from the Apache Software Foundation (Apache Hadoop or Hadoop). "Hadoop" is a registered trademark of the Apache Software Foundation. Hadoop was originally developed in the early 2000s. Partnering with the Apache Hadoop community, Yahoo! led major innovations in the technology to help tackle big data challenges and operate its business at scale. Hadoop is managed as an open source software project by the Apache Foundation.

Due to the increase in the volume of data and the variety of data, including new unstructured data types such as clickstream data, geo-location data, sensor and machine data, sentiment data, server log data and other data generated by emails, documents and other file types, Hadoop has emerged as a critical enabling technology for the modern data center architecture. The Company's software development efforts are thus focused on creating an enterprise-grade Hadoop platform by working in concert with the Apache community to develop the Hortonworks Data Platform.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Principles of Consolidation*

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

### *Change of Fiscal Year End*

The Company changed its fiscal year end from April 30 to December 31. Unless otherwise noted, all references to "years" in this report refer to the twelve-month fiscal year, which prior to May 1, 2013 ended on April 30, and beginning with January 1, 2014 ends on December 31 of each year. These financial statements include the audited transition period of May 1, 2013 through December 31, 2013. The consolidated statement of operations, consolidated statement of comprehensive loss and consolidated statement of cash flows for the eight months ended December 31, 2012 have been presented for comparative purposes and are unaudited.

### *Unaudited Interim Financial Statements*

The consolidated interim balance sheet as of September 30, 2014, and the consolidated statements of operations and comprehensive loss, and consolidated statements of cash flows for the nine months ended September 30, 2013 and 2014 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 the Company's financial position as of September 30, 2014 and its results of operations and cash flows for the nine months ended September 30, 2013 and 2014. The results of operations for the nine months ended September 30, 2014 are not necessarily indicative of the results to be expected for the year ending December 31, 2014 or for any other future annual or interim period.

**HORTONWORKS, INC.**

**Notes to Consolidated Financial Statements**

***Unaudited Pro Forma Consolidated Stockholders' Equity***

The unaudited pro forma stockholders' equity as of September 30, 2014 reflects the automatic conversion of all outstanding shares of the Company's convertible preferred stock into an aggregate of 43,899,075 shares of common stock in conjunction with a qualified initial public offering. The unaudited pro forma stockholders' equity does not assume any proceeds from the proposed public offering.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the reporting period. The Company bases its estimates and judgments on its historical experience, knowledge of current conditions, and its beliefs on what could occur in the future given available information. Estimates, assumptions and judgments are used for, but are not limited to, revenue recognition, stock-based awards and warrants, accounting for income taxes, allowance for doubtful accounts and certain accrued liabilities.

***Reclassifications***

In these consolidated financial statements, certain amounts in prior periods' consolidated financial statements have been reclassified to conform with the current period presentation.

***Concentration of Risk***

***Credit Risk***

Financial instruments, which potentially subject the Company to concentration of credit risk, consist primarily of cash and cash equivalents. The Company places its cash and cash equivalents with major financial institutions, which management assesses to be of high-credit quality.

The Company's investment policies limit investments to those that are investment grade, liquid securities, and restricts placement of these investments to issuers evaluated as creditworthy.

***Concentration of Revenue and Accounts Receivable***

The Company generally does not require collateral or other security in support of accounts receivable. Allowances are provided for individual accounts receivable when the Company becomes aware of a customer's inability to meet its financial obligations, such as in the case of bankruptcy, deterioration in the customer's operating results or change in financial position. If circumstances related to customers change, estimates of the recoverability of receivables would be further adjusted. The Company also considers broad factors in evaluating the sufficiency of its allowances for doubtful accounts, including the length of time receivables are past due, significant one-time events, creditworthiness of customers and historical experience.

**HORTONWORKS, INC.**

**Notes to Consolidated Financial Statements**

Significant customers are those which represent 10% or more of the Company's total revenue or gross accounts receivable balance at each respective balance sheet date. For each significant customer, revenue as a percentage of total revenue and accounts receivable as a percentage of total net accounts receivable are as follows:

| | Revenue | | | | | | Accounts receivable, net | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended of September 30, | | As of April 30, | | As of December 31, | As of September 30, |
| Customers | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 | 2012 | 2013 | 2013 | 2014 |
| | | | (unaudited) | | (unaudited) | | | | | (unaudited) |
| Customer A | 27 % | 55 % | 58 % | 38 % | 47 % | 22 % | 27 % | 34 % | 19 % | 11 % |
| Customer B | 51 | * | 15 | * | * | * | – | * | – | * |
| Customer C | – | – | – | * | – | * | – | 22 | – | – |
| Customer D | – | * | * | – | – | – | 14 | – | – | – |
| Customer E | – | * | – | * | * | * | – | * | 12 | * |
| Customer F | – | * | – | * | 10 | – | – | * | * | * |

* less than 10%

***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash and highly liquid short-term investments with original maturities of three months or less at the time of purchase.

***Investments***

The Company classifies its debt securities as "trading", "available for sale" or "held-to-maturity", depending on management's intent at the time of purchase. Unrealized losses on available-for-sale securities are charged against net earnings when a decline in fair value is determined to be other than temporary. The Company's management reviews several factors to determine whether a loss is other than temporary, such as the length and extent of the fair value decline, the financial condition and near term prospects of the issuer, and for equity investments, the Company's intent and ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value. For debt securities, management also evaluates whether the Company has the intent to sell or will likely be required to sell before its anticipated recovery. Realized gains and losses are accounted for on the specific identification method.

Available-for-sale debt instruments with original maturities at the date of purchase greater than approximately three months and remaining maturities of less than one year are classified as short-term investments. Available-for-sale debt instruments with remaining maturities beyond one year are classified as long-term investments.

***Deferred Offering Costs***

Deferred offering costs, which primarily consist of direct incremental legal and accounting fees relating to the initial public offering, are capitalized. The deferred offering costs will be offset against initial public offering proceeds upon the consummation of the offering. In the event the offering is terminated, deferred offering costs will be expensed. As of September 30, 2014 (unaudited), the Company capitalized $3.2 million of deferred offering costs in prepaid expenses and other current assets on the balance sheet.

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**Notes to Consolidated Financial Statements**

***Fair Value Measurement***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal market (or most advantageous market, in the absence of a principal market) for the asset or liability in an orderly transaction between market participants at the measurement date. Further, entities are required to maximize the use of observable inputs and minimize the use of unobservable inputs in measuring fair value, and to utilize a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

*Level 1*–Quoted prices in active markets for identical assets or liabilities.

*Level 2*–Observable inputs other than quoted prices included within Level 1, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable or are derived principally from, or corroborated by, observable market data by correlation or other means.

*Level 3*–Unobservable inputs that are supported by little or no market activity, are significant to the fair value of the assets or liabilities, and reflect the Company' s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

***Restricted Cash***

Restricted cash consists of collateral used to secure a credit card, and may not be used or transferred until the restriction is released by the issuing bank. Restricted deposits include deposits made on office space, and may be refundable in full or in part at the end of the respective lease terms.

***Software Development Costs***

The Company develops open source software that is generally freely available on the Apache Hadoop platform. Capitalization of software development costs begins upon the establishment of technological feasibility and ceases when the product is available for general release. As a result of the Company' s practice of developing open source software that is generally freely available, there is generally no passage of time between the achievement of technological feasibility and the availability of the Company' s software for general release. The Company does not have any internally-developed software. Therefore, the Company has no capitalized software development costs at April 30, 2012, April 30, 2013, December 31, 2013, and September 30, 2014 (unaudited).

***Property and Equipment***

Property and equipment are stated at cost. Depreciation is computed using a straight-line method over the estimated useful lives, determined to be two years for computer equipment, purchased software and furniture and fixtures. Expenditures for repairs and maintenance are charged to expenses as incurred. Leasehold improvements are amortized on a straight-line basis over the term of the lease, or the useful life of the assets, whichever is shorter.

***Impairment of Goodwill and Long-Lived Assets***

Goodwill is tested for impairment on an annual basis and between annual tests if events or circumstances indicate that an impairment loss may have occurred. The Company writes down these

**HORTONWORKS, INC.**

**Notes to Consolidated Financial Statements**

assets when impaired. The annual impairment test is performed by the Company during the fourth quarter of each fiscal year using the opening balance sheet as of the first day of the fourth quarter, with any resulting impairment recorded in the fourth quarter of the fiscal year. During the nine months ended September 30, 2014 (unaudited), no indicators of impairment or triggering events were noted to cause the Company to review goodwill for potential impairment.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. In such instances, the recoverability of assets to be held and used is measured first by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, an impairment loss would be recognized if the carrying amount of the asset exceeds the fair value of the asset. To date, the Company believes that no such impairment has occurred.

***Common Stock Warrant Liability***

Warrants for common stock that do not meet the requirements for equity classification because the number of shares are variable based on future issuances of Series D preferred shares or warrants are classified as liabilities on the accompanying balance sheets and carried at their estimated fair value. At the end of each reporting period, any changes in fair value are recorded as a component of other expense. The Company will continue to adjust the carrying value of the warrants until the earlier of the exercise of the warrants or the completion of a liquidation event, including the completion of an initial public offering, at which time the warrants will be reclassified to stockholders' deficit because at that point the number of shares will no longer be subject to variability.

***Revenue Recognition***

Apache Hadoop is a freely available open source based software platform. While it has emerged as an enabling technology for the modern data center architecture, there are limitations related to the traditional Hadoop offering that may inhibit broad adoption by enterprises. The Company' s software development efforts are thus focused on creating an enterprise-grade Hadoop platform by working in concert with the Apache community to develop the Hortonworks Data Platform (HDP).

HDP is available under an Apache open source license. Open source software is an alternative to proprietary software and represents a different model for the development and licensing of commercial software code than that typically used for proprietary software. Because open source software code is generally freely shared, the Company does not typically generate any direct revenue from its software development activities.

The Company generates the predominant amount of its revenue through support (support subscription) and consulting and training services (professional services) arrangements with its enterprise customers. The Company provides telephone support, security updates, bug fixes, functionality enhancements and upgrades to the technology and new versions of the software, if and when available. The Company' s professional services provide assistance in the implementation process and training related activities.

Under the Company' s support subscription and professional services arrangements, revenue is recognized when (i) persuasive evidence of an arrangement exists; (ii) the services have been delivered; (iii) the arrangement fee is fixed or determinable; and (iv) collectability is reasonably assured.

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**Notes to Consolidated Financial Statements**

***Support subscription revenue***

In single-element arrangements, support subscription fees are recognized on a ratable basis over the support subscription term. The Company' s support subscription arrangements do not contain refund provisions for fees earned related to services performed.

***Professional services revenue***

Professional services revenue is derived from customer fees for consulting services engagements and training services. The Company' s consulting services are provided primarily on a time and materials basis and, to a lesser extent, a fixed fee basis, and training services are priced based on attendance. Revenue from professional services, when such services are sold in single-element arrangements, is recognized as the services are performed.

***Multiple-element arrangements***

The Company' s multiple-element arrangements include support subscription combined with professional services. The Company has not yet established vendor-specific objective evidence of fair value (VSOE) for support subscription, and the Company recognizes revenue on a ratable basis over the period beginning when both the support subscription and professional services have commenced, and ending at the conclusion of the support subscription or professional services period, whichever is longer. Under the Company' s multiple element arrangements, the support subscription element generally has the longest service period and the professional services element is performed during the earlier part of the support subscription period.

The Company' s agreements with customers often include multiple support subscription and/or professional service elements, and these elements are sometimes included in separate contracts. The Company considers an entire customer arrangement to determine if separate contracts should be considered linked arrangements for the purposes of revenue recognition.

Revenue recognition requires judgment, including whether a software arrangement includes multiple elements, and if so, whether VSOE exists for those elements. A portion of revenue may be recorded as unearned due to undelivered elements. Changes to the elements in a software arrangement, the ability to identify the VSOE for those elements and the fair value of the respective elements could materially impact the amount of earned and unearned revenue in a given period.

***Revenue from Strategic Relationships and Reseller Arrangements***

The Company has strategic relationships and reseller arrangements with third parties (collectively "Partners") whereby the Company' s support subscription is bundled with the Partner' s products and services. Under these arrangements, the Company is not the primary obligor for what is ultimately sold by the Partners to their end customers. The amount recognized as revenue represents the amount due to the Company from the Partners.

***Equity instruments issued to customers***

The Company has entered into warrant and share purchase agreements with certain customers. For such arrangements, the fair value of the underlying securities is recognized as contra-revenue to the extent cumulative revenue from the customer is available to offset the fair value of the security on the measurement date. If cumulative revenue from the customer is less than the fair value of the security, the excess is recorded as cost of sales. See additional discussion at Notes 8 and 16.

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**Notes to Consolidated Financial Statements**

***Deferred Revenue***

Deferred revenue consists of amounts billed to customers but not yet recognized because the revenue recognition criteria related to establishing VSOE have not been met.

As of April 30, 2012 and 2013, December 31, 2013 and September 30, 2014 (unaudited), substantially all of accounts receivable represent amounts billed to customers but not yet received or recognized as revenue and are also recorded as deferred revenue.

***Accounts Receivable and Allowance for Doubtful Accounts***

Accounts receivable are recorded at the invoiced amount, net of allowances for doubtful accounts. The allowance for doubtful accounts is based on the assessment of the collectability of accounts. The Company regularly reviews the adequacy of the allowance for doubtful accounts by considering the age of each outstanding invoice and the collection history of each customer to determine whether a specific allowance is appropriate. Accounts receivable deemed uncollectable are charged against the allowance for doubtful accounts when identified. For all periods presented, the allowance for doubtful accounts activity was not significant.

***Cost of Revenue***

Cost of support subscription revenue consists primarily of personnel costs (including salaries, benefits and share-based compensation) for employees associated with support subscription offerings primarily related to tech support and allocated shared costs. Cost of professional services revenue consists primarily of personnel costs (including salaries, benefits and share-based compensation) for employees and subcontractors associated with service contracts, travel costs and allocated shared costs. The Company allocates shared costs such as rent, shared information technology costs and employee benefit costs to all departments based on headcount. As such, allocated shared costs are reflected in cost of revenue and each operating expense category. Cost of revenue for support subscription and professional services is expensed as incurred.

***Sales and Marketing Expenses***

Sales and marketing expenses consist of costs, including salaries, sales commissions and related expenses such as travel costs. Sales and marketing expenses also include costs of advertising, online marketing, promotional events, corporate communications, product marketing, other brand-building activities, and allocated shared costs. All costs of advertising, including cooperative marketing arrangements, are expensed as incurred. Advertising expense totaled $657,000, $2.4 million, $1.1 million, $2.2 million, $2.6 million and $4.8 million for the years ended April 30, 2012 and 2013, eight months ended December 31, 2012 (unaudited) and 2013, and nine months ended September 30, 2013 and 2014 (unaudited), respectively.

***Research and Development Expenses***

Research and development expenses include all direct costs, primarily salaries for Company personnel and outside consultants, related to the development of new software products, significant enhancements to existing software products and allocated shared costs.

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**Notes to Consolidated Financial Statements**

***Stock-Based Compensation***

The Company recognizes compensation costs related to stock options granted to employees based on the estimated fair value of the awards on the date of grant, net of estimated forfeitures. The Company estimates the grant date fair value of option grants, and the resulting stock-based compensation expense, using the Black-Scholes option-pricing model. The grant date fair value of stock-based awards is recognized on a straight-line basis over the requisite service period, which is the vesting period of the respective awards.

The Company accounts for stock options issued to non-employees based on the fair value of the awards determined using the Black-Scholes option-pricing model. The fair value of stock options granted to non-employees are remeasured each period as the stock options vest, and the resulting change in value, if any, is recognized in the consolidated statements of operations during the period the related services are performed.

***Income Taxes***

The Company accounts for income taxes using an asset and liability approach. Deferred income tax assets and liabilities are computed for differences between the financial statement and income tax basis of assets and liabilities that will result in taxable or deductible amounts in the future. Such deferred income tax asset and liability computations are based on enacted tax laws and rates applicable to periods in which the differences are expected to affect taxable income. A valuation allowance is established, when necessary, for any portion of deferred income tax assets where it is considered more likely than not that it will not be realized.

The tax effects of the Company' s income tax positions are recognized only if determined "more likely than not" to be sustained based solely on the technical merits as of the reporting date. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes.

***Foreign Currency Translation***

The impact of changes in foreign currency exchange rates resulting from the translation of foreign currency financial statements into U.S. dollars for financial reporting purposes is included in other comprehensive loss. Assets and liabilities are translated into U.S. dollars at exchange rates in effect at the balance sheet date. Income and expense items are translated at average rates for the period.

Foreign transaction gains and losses are expensed as realized, and such amounts have historically been insignificant.

***Net Loss Per Share of Common Stock***

Basic net loss per share of common stock is calculated by dividing the net loss by the weighted-average number of common shares outstanding during the period, less restricted common stock and common stock issued that is subject to repurchase, and excludes any dilutive effects of share-based awards. Diluted net loss per share of common stock is the same as basic net loss per share of common stock, since the effects of potentially dilutive securities are antidilutive.

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**Notes to Consolidated Financial Statements**

***Unaudited Pro Forma Net Loss per Share of Common Stock***

Pro forma basic and diluted net loss per share has been computed to give effect to the conversion of all outstanding shares of the convertible preferred stock upon the closing of the initial public offering.

***Recently Issued Accounting Pronouncements***

In May 2014, the Financial Accounting Standards Board, or FASB, issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for the Company on January 1, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting.

## 3. FAIR VALUE MEASUREMENTS

The following table sets forth the fair value of the Company' s financial assets measured on a recurring basis by level within the fair value hierarchy (in thousands):

| | April 30, 2012 | | | |
|---|---|---|---|---|
| | Level I | Level II | Level III | Total |
| Cash and cash equivalents: | | | | |
| Money market funds | $23,500 | $– | $ – | $23,500 |
| Short-term investments: | | | | |
| Certificates of deposit | – | 1,219 | – | 1,219 |
| Commercial paper | – | 7,493 | – | 7,493 |
| Corporate bonds | – | 15,245 | – | 15,245 |
| Long-term investments: | | | | |
| Corporate bonds | – | 1,011 | – | 1,011 |
| Total Financial Assets | $23,500 | $24,968 | $ – | $48,468 |

| | April 30, 2013 | | | |
|---|---|---|---|---|
| | Level I | Level II | Level III | Total |
| Cash and cash equivalents: | | | | |
| Money market funds | $5,504 | $– | $ – | $5,504 |
| Short-term investments: | | | | |
| Commercial paper | – | 2,499 | – | 2,499 |
| Corporate bonds | – | 6,686 | – | 6,686 |
| Long-term investments: | | | | |
| Corporate bonds | – | 1,011 | – | 1,011 |
| Total Financial Assets | $5,504 | $10,196 | $ – | $15,700 |

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| | December 31, 2013 | | | |
|---|---|---|---|---|
| | Level I | Level II | Level III | Total |
| Cash and cash equivalents: | | | | |
| Money market funds | $22,465 | $– | $ – | $22,465 |
| Short-term investments: | | | | |
| Commercial paper | – | 2,422 | – | 2,422 |
| Corporate bonds | – | 10,783 | – | 10,783 |
| Total Financial Assets | $22,465 | $13,205 | $ – | $35,670 |

| | September 30, 2014 | | | |
|---|---|---|---|---|
| | Level I | Level II | Level III | Total |
| | | (unaudited) | | |
| Cash and cash equivalents: | | | | |
| Money market funds | $34,270 | $– | $– | $34,270 |
| Short-term investments: | | | | |
| Commercial paper | – | 15,787 | – | 15,787 |
| Corporate bonds | – | 53,094 | – | 53,094 |
| Long-term investments: | | | | |
| Corporate bonds | – | 15,316 | – | 15,316 |
| Liabilities | | | | |
| Common stock warrant liability | – | – | 7,186 | 7,186 |
| Total Financial Assets and liabilities | $34,270 | $84,197 | $7,186 | $125,653 |

The weighted average remaining contractual maturity of the short-term investments and long-term investments as of September 30, 2014 (unaudited) was 202 days and 392 days, respectively. Unrealized gains and losses were not material for the year ended April 30, 2013, eight months ended December 31, 2013 and the nine months ended September 30, 2014 (unaudited).

Where applicable, the Company uses quoted market prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments, which are composed of money market funds.

If quoted prices in active markets for identical assets are not available, then the Company uses quoted prices for similar assets or inputs other than quoted prices that are observable, either directly or indirectly. These investments are included in Level 2 and consist of commercial paper, certificates of deposit and corporate bonds. Corporate bonds are valued at a consensus price, which is a weighted-average price based on market prices from a variety of industry standard data providers used as inputs to a distribution-curve based algorithm. Commercial paper is valued using market prices where available, adjusting for accretion of the purchase price to face value at maturity. The carrying amounts of accounts receivable, prepaid expenses, accounts payable, accrued liabilities and accrued compensation and benefits approximate fair value due to the short-term nature of these items.

A financial instrument' s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company' s assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability.

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**Notes to Consolidated Financial Statements**

In certain cases where there is limited activity or less transparency around inputs to valuation, securities are classified as Level 3 within the valuation hierarchy. Level 3 liabilities that are measured at estimated fair value on a recurring basis consist of the common stock warrant liability (see Note 9). The estimated fair value of the outstanding common stock warrant liability is measured using a probability weighted expected return model. Inputs used to determine estimated fair value include the estimated fair value of the underlying common stock at the measurement date, the probability and timing of various liquidity events, the exercise price per share, risk-free interest rates, and expected volatility of the price of the underlying common stock.

During the periods presented, the Company has not changed the manner in which it values liabilities that are measured at estimated fair value using Level 3 inputs. There were no transfers within the hierarchy during the years ended April 30, 2012 and 2013, the eight months ended December 31, 2013, or the nine months ended September 30, 2014.

The following table provides a summary of changes in the estimated fair value of the Company's liabilities measured at estimated fair value using significant Level 3 inputs for the nine months ended September 30, 2014 (in thousands):

| | Common Stock Warrant Liability (unaudited) |
|---|---|
| Initial measurement on June 9, 2014 | $ 4,809 |
| Increase in fair value upon re-measurement | 2,377 |
| Balance at September 30, 2014 | $ 7,186 |

The above represents a warrant to purchase 952,736 of the Company's common stock as of September 30, 2014 (see Note 9).

## 4. Business Combinations (unaudited)

On May 13, 2014, the Company acquired 100% of the voting shares of XA Secure, a developer of data security solutions across a number of information technology platforms, for approximately $4.8 million, consisting of approximately $3.0 million in cash and the issuance of 265,016 shares of the Company's common stock with a fair value of $6.85 per share on the acquisition date. The Company plans to integrate the core security capabilities acquired across all Hadoop workloads. The acquisition of XA Secure was accounted for as the purchase of a business. The related acquisition costs, consisting primarily of legal expenses in the amount of $0.2 million during the nine months ended September 30, 2014, were expensed. These legal expenses were presented as general and administrative expenses on the consolidated statements of operations for the nine months ended September 30, 2014.

The acquisition of XA Secure provided the Company with developed technology. The Company determined that the fair value of the developed technology was approximately $4.0 million. The fair value of the developed technology was determined using the cost approach. The cost approach reflects the amount that would be required currently (at the acquisition date) to replace the service capacity of an asset. The assumptions underlying the fair value calculation include: the labor required using a burdened overhead rate, the development period, a developer's profit based on the operating profitability of market participants, and the opportunity cost based on the estimated required return on

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investment over the development period using venture capital rates of return and private capital rates of return for enterprises at a similar stage of development as XA Secure. A deferred tax liability related to the fair value of the developed technology obtained in the acquisition was also recognized. Primarily as a result of the deferred tax liability recognized in the acquisition, the Company recognized goodwill of $2.1 million equal to the excess of the purchase consideration over the fair value of the assets acquired and the liabilities assumed. None of the goodwill is expected to be deductible for income tax purposes.

Concurrently with the recognition of the deferred tax liability related to the developed technology acquired, the Company released a portion of the valuation allowance on its deferred tax asset balance and recognized approximately $1.3 million benefit to income tax expense. The benefit for income taxes relates primarily to the additional source of income arising from the deferred tax liability recognized, which offsets the Company' s deferred tax assets. As such, the impact on the acquiring Company' s deferred tax assets and liabilities caused by an acquisition are recorded in the acquiring Company' s consolidated financial statements outside of acquisition accounting.

In connection with the acquisition of XA Secure, the Company also issued 265,012 shares of restricted stock, issued 318,966 options to purchase the Company' s common stock and may be required to pay an additional $3.92 million to certain key employee-shareholders of XA Secure. 50% of the restricted shares vest at the 12-month anniversary of the acquisition and the remaining 50% vest at the 18-month anniversary. 25% of the options vest at the 12-month anniversary of the acquisition and the remaining 75% vest ratably over the next 36 months. 50% of the cash payment will be made at the 12-month anniversary of the acquisition and the remaining cash payment will be made at the 18-month anniversary. All vesting provisions for the stock and options, as well as the future cash payments, are contingent upon the continued service of the key employees. Thus, the Company will account for such payments as post-combination remuneration, recognized in operating expenses in the statement of operations as the services are performed.

The following table summarizes the allocation of the consideration paid of approximately $4.8 million to the fair values of the assets acquired and liabilities assumed at the acquisition date (in thousands):

| | Amount (unaudited) |
|---|---|
| Developed technology | $ 3,971 |
| Deferred tax liabilities | (1,279) |
| Goodwill | 2,119 |
| Net assets acquired | $ 4,811 |

The results of operations of XA Secure have been included in our consolidated statements of operations from the acquisition date. Pro forma results of operations have not been presented because the acquisition was not material to the Company' s results of operations.

***Goodwill and Intangible Assets.***

Intangible assets acquired in connection with the acquisition of XA Secure were comprised entirely of developed technology of $4.0 million. On August 13, 2014, the Company contributed the developed technology acquired in the XA Secure acquisition to the Apache Software Foundation

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(ASF). Upon contribution, the Company recognized an expense of $4.0 million within operating expenses, which was equal to the carrying value of the developed technology.

## 5. PROPERTY AND EQUIPMENT

Property and equipment, net consisted of the following (in thousands):

| | April 30, 2012 | April 30, 2013 | December 31, 2013 | September 30, 2014 (unaudited) |
|---|---|---|---|---|
| Computer equipment | $232 | $951 | $ 1,110 | $ 2,335 |
| Purchased software | 104 | 315 | 393 | 737 |
| Furniture and fixtures | 20 | – | 112 | 165 |
| Capital lease | – | – | – | 331 |
| Leasehold improvements | 121 | 207 | 250 | 421 |
| Property and equipment, gross | 477 | 1,473 | 1,865 | 3,989 |
| Less: accumulated depreciation | (96) | (423) | (772) | (1,788) |
| Total property and equipment, net | $381 | $1,050 | $ 1,093 | $ 2,201 |

Depreciation expense was $96,000 and $419,000 for the years ended April 30, 2012 and 2013, $215,000 and $505,000 for the eight months ended December 31, 2012 (unaudited) and 2013, and $502,000 and $719,000 for the nine months ended September 30, 2013 and 2014 (unaudited), respectively.

## 6. COMMITMENTS AND CONTINGENCIES

The Company has a number of operating lease agreements primarily involving office space and data center equipment. These leases are non-cancelable and expire on various dates through 2017. Lease expense is recognized on a straight-line basis over the lease term.

As of December 31, 2013, future minimum lease commitments under non-cancelable leases are as follows:

| Years Ending December 31, | Leases (In thousands) |
|---|---|
| 2014 | $ 2,299 |
| 2015 | 1,868 |
| 2016 | 1,488 |
| 2017 | 1,106 |
| Total | $ 6,761 |

Rent expense incurred under operating leases was $300,000 and $1.1 million for the years ended April 30, 2012 and 2013, $615,000 and $1.5 million for the eight months ended December 31, 2012 (unaudited) and 2013, and $1.4 million and $3.0 million for the nine months ended September 30, 2013 and 2014 (unaudited), respectively.

In November 2012, the Company entered into a three-year master lease agreement that provides the Company with the right, but not the obligation, to lease up to $3.0 million of data center equipment

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from a third-party vendor. As of December 31, 2013, the Company has leased $1.2 million of data center equipment under this agreement. Future minimum payments due under these operating leases are included in the table above.

***Litigation settlement***

In November 2013, the Company agreed to settle a lawsuit for $6.0 million, which was included in general and administrative operating expenses in the consolidated statement of operations for the eight months ended December 31, 2013. A $1.0 million settlement payment was made in November 2013, with the remaining $5.0 million due in November 2014 and included as an accrued liability on the consolidated balance sheet as of December 31, 2013 and September 30, 2014 (unaudited). The lawsuit arose from the decisions by certain of the Company' s employees to leave their former employer and join the Company at various times during 2011 and 2012. Their former employer alleged that in connection with these departures, some of the individual defendants misappropriated trade secrets by retaining certain files and documents, and breached non-solicitation obligations. The former employer alleged that the Company was liable for the conduct of the individual defendants. The matter was dismissed with prejudice in November 2013.

In addition, from time to time, the Company is party to various litigation and administrative proceedings relating to claims arising from its operations in the normal course of business. Based on the information presently available, including discussion with legal counsel, management believes that resolution of these matters will not have a material effect on the Company' s business, results of operations, financial condition or cash flows.

## 7. CONVERTIBLE PREFERRED STOCK AND COMMON STOCK

***Convertible Preferred Stock***

Convertible preferred stock as of April 30, 2012 and 2013 consisted of the following:

| Convertible Preferred Stock: | Shares Authorized | Shares Issued and Outstanding | Net Carrying Value | Aggregate Liquidation Preference |
|---|---|---|---|---|
| | | (In thousands, except share data) | | |
| Series A | 24,530,024 | 18,030,024 | $ 22,654 | $ 23,000 |
| Series B | 6,852,784 | 6,852,784 | 30,600 | 30,838 |
| Total convertible preferred stock | 31,382,808 | 24,882,808 | $ 53,254 | $ 53,838 |

Convertible preferred stock as of December 31, 2013 consisted of the following:

| Convertible Preferred Stock: | Shares Authorized | Shares Issued and Outstanding | Net Carrying Value | Aggregate Liquidation Preference |
|---|---|---|---|---|
| | | (In thousands, except share data) | | |
| Series A | 24,530,024 | 18,030,024 | $22,654 | $23,000 |
| Series B | 6,852,784 | 6,852,784 | 30,600 | 30,838 |
| Series C | 6,708,167 | 6,708,167 | 49,813 | 50,000 |
| Total convertible preferred stock | 38,090,975 | 31,590,975 | $103,067 | $103,838 |

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Convertible preferred stock as of September 30, 2014 (unaudited) consisted of the following:

| Convertible Preferred Stock: | Shares Authorized | Shares Issued and Outstanding | Net Carrying Value | Aggregate Liquidation Preference |
|---|---|---|---|---|
| | | (In thousands, except share data) | | |
| Series A | 24,530,024 | 18,030,024 | $22,654 | $23,000 |
| Series B | 6,852,784 | 6,852,784 | 30,600 | 30,838 |
| Series C | 6,708,167 | 6,708,167 | 49,813 | 50,000 |
| Series D | 12,308,100 | 12,308,100 | 149,547 | 150,000 |
| Total convertible preferred stock | 50,399,075 | 43,899,075 | $252,614 | $253,838 |

In April 2011 and June 2011, the Company entered into unsecured demand promissory notes to obtain loans up to an aggregate principal amount of $220,000. In July 2011, the Company issued 18,030,024 shares of Series A convertible preferred stock for gross proceeds of $22.8 million in cash and $221,000 from the cancellation of the demand promissory notes. The number of shares issued with respect to the cancellations of the demand promissory notes was determined based on the aggregate principal amount outstanding of such notes, plus all accrued interest.

The significant rights and obligations of the preferred stockholders are as follows:

*Conversion Rights*–All convertible preferred stock will be automatically converted into common stock upon (i) the closing of an underwritten public offering of shares of common stock of the Company at a public offering price per share that provides at least $100 million in aggregate gross proceeds or (ii) approval of at least (a) holders of 66% of the Series A convertible preferred stock, voting as a single class on an as-converted basis; (b) holders of a majority of the Series B convertible preferred stock, voting as a single class on an as-converted basis; (c) holders of a majority of the Series D convertible preferred stock, voting as a single class on an as-converted basis; and (d) the holders of at least a majority of the then outstanding shares of convertible preferred stock (voting together as a single class and not a separate series, and on an as-converted basis). Each share of convertible preferred stock is convertible at any time after the date of issuance, at the option of the holder, into the number of fully paid and nonassessable ordinary shares as determined by dividing the applicable original issue price per share by the initial conversion price, which is the original issue price per share for each series. The conversion price is subject to adjustment upon the occurrence of stock splits and if the Company issues additional shares of common stock after the applicable original issue date of convertible preferred stock without consideration or for a consideration per share less than the conversion price for such convertible preferred stock, then the conversion price for such convertible preferred stock shall be reduced to equal such conversion price multiplied by a fraction.

*Voting Rights*–The holders of convertible preferred stock have voting rights equivalent to the number of common shares into which the preferred shares are convertible. The holders of the convertible preferred stock have the right to elect directors of the Company. The Company cannot pay any dividends on any class of stock; amend any provision of the Company' s certificate of incorporation or bylaws; issue, or obligate itself to issue, any equity security having preference over, or on a parity with, any series of preferred stock, other than the issuance of any authorized but unissued shares of preferred stock upon the exercise of any warrants outstanding as of March 24, 2014; enter into a transaction or series of transactions deemed to be a liquidation event; change the authorized number of directors of the Company, including the director elected by the preferred stockholders; redeem,

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purchase or otherwise acquire any shares of common stock, other than in connection with a repurchase under the stated terms of an employment termination agreement or upon the exercise of a right of first refusal entitling the Company to purchase such shares upon substantially the same terms offered by a third party, provided the purchase is approved by the Board of Directors; increase or decrease (other than by redemption or conversion) the total number of authorized shares of common or preferred stock; sell or exclusively license a material portion of the Company' s intellectual property assets; or elect or remove the Company' s chief executive officer without the consent of the holders of a majority of the then-outstanding shares of preferred stock.

*Dividend Rights*–The holders of the convertible preferred stock are entitled, when, as and if declared by the board of directors, and prior and in preference to common stock, to noncumulative dividends at the following per annum rates (as adjusted upon certain conditions): $0.1021 per share for Series A, $0.3600 per share for Series B, $0.5963 per share for Series C and $0.9750 per share for Series D. No dividend has been declared on any class of stock as of September 30, 2014 (unaudited).

*Liquidation Rights*–In the event of any liquidation, dissolution or winding-up of the Company or a sale of the Company, whether voluntary or involuntary, the holders of convertible preferred stock will be entitled to receive, in preference to the holders of common stock, an amount equal to the original issuance price ($1.2757 for Series A, $4.50 for Series B, $7.4536 for Series C and $12.1871 for Series D), plus all declared but unpaid dividends, if any. If, upon the occurrence of such event, the proceeds are insufficient to permit the payment of the aforementioned preferential amount, then the entire proceeds legally available for distribution shall be distributed ratably among the holders of the convertible preferred stock in proportion to the full preferential amount that each holder is entitled to receive.

*Redemption Rights*–The convertible preferred stock is not redeemable at the option of the holder.

The Company classifies its convertible preferred stock outside of stockholders' deficit because the shares are considered effectively redeemable upon a deemed liquidation event. During the periods presented, the Company did not adjust the carrying value of the convertible preferred stock to the deemed liquidation value of such shares as a qualifying liquidation event was not probable.

***Common Stock***

Each share of common stock is entitled to one vote for matters to be voted on by the stockholders of the Company. The holders of common stock are also entitled to receive dividends whenever declared by the Board of Directors from legally available funds, subject to the priority rights of all classes of preferred stock.

In April 2012, the Company issued 1,754,386 shares of common stock for proceeds of $500,000 in cash to Teradata in conjunction with a purchase of shares of Series B preferred stock. In September 2013, the Company entered into a common stock purchase agreement with an affiliate of AT&T for the sale and issuance of 780,539 shares of the Company' s common stock. Refer to Note 16 for additional information regarding related party transactions.

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***Common Stock Reserved for Issuance***

The Company had reserved shares of common stock, on an as-if converted basis, for future issuance as follows:

| | April 30, | | December 31, | September 30, |
|---|---|---|---|---|
| | 2012 | 2013 | 2013 | 2014 |
| | | | | (unaudited) |
| Conversion of outstanding convertible preferred stock | 24,882,808 | 24,882,808 | 31,590,975 | 43,899,075 |
| Exercise and conversion of convertible preferred stock warrants | 6,500,000 | 6,500,000 | 6,500,000 | 6,500,000 |
| Exercise and conversion of common stock warrants | – | – | – | 952,736 |
| Restricted common stock issued, net of repurchases | 16,569,444 | 21,584,442 | 16,084,442 | 15,812,290 |
| Outstanding stock options | 8,067,206 | 16,039,014 | 20,419,557 | 27,481,340 |
| Common stock subject to repurchase | 337,188 | 508,613 | 471,776 | 412,188 |
| Shares reserved for future option grants | 3,068,520 | 277,111 | 193,857 | 2,224,672 |
| Total | 59,425,166 | 69,791,988 | 75,260,607 | 97,282,301 |

## 8. PREFERRED STOCK WARRANT

In July 2011, the Company issued a warrant to purchase 6,500,000 shares of Series A preferred stock at an exercise price of $0.005 per share. The warrant was issued to Yahoo! in connection with the Company' s Series A financing and the transactions contemplated thereby, including commercial agreements with Yahoo! providing for support subscription offerings and certain rights to technology. The ability for Yahoo! to exercise the warrant is subject to the continuation of the commercial agreement for a period of two years, which has been satisfied. The warrant expires nine years from the date of issuance and will only become exercisable upon the occurrence of a corporate event, which is defined in the warrant agreement as the earlier of (i) the consummation of the Company' s first sale of its common stock or other securities pursuant to a registration statement under the Securities Act of 1933, as amended (other than a registration statement relating either to the sale of securities to employees of the Company pursuant to a stock option, stock purchase, or similar plan or a SEC Rule 145 transaction) or (ii) any liquidation, dissolution or winding-up of the Company. As of September 30, 2014, no corporate event had occurred that would result in the vesting of the warrant, and as such, no amounts have been recorded in the consolidated balance sheets. The preferred stock warrant will automatically become exercisable for common stock upon an initial public offering. As the warrant was issued to a customer, upon the occurrence of the initial public offering, the vesting of the warrant will result in an immediate reduction in revenue up to the cumulative amount of revenue recognized to date with Yahoo!. Any difference between the fair value of the warrant and the reduction in revenue will be recognized in cost of sales during the quarter in which the offering is completed. Refer to Note 16 for additional information regarding related party transactions.

## 9. COMMON STOCK WARRANT (unaudited)

On June 9, 2014, the Company issued a warrant to purchase a number of shares of common stock up to 1% of the sum of (i) 91,170,992, plus (ii) the number of shares of Series D Preferred Stock issued or issuable upon exercise of warrants to purchase Series D Preferred Stock that are sold, if any, by the Company during the period commencing on June 9, 2014 and ending immediately prior to the

occurrence of a corporate event at an exercise price of $4.23 per share. The warrant was issued to Yahoo! in exchange for the amendment of the rights held by Yahoo! under Section 2.11 of the IRA to approve an acquisition of Hortonworks, which removed a competitor of Yahoo! from the list of companies over which Yahoo! has such blocking rights. The warrant expires nine years from the date of issuance. The warrant will only vest upon the occurrence of a corporate event, which is defined in the warrant agreement as the earlier of (i) the consummation of the Company' s first sale of its common stock or other securities pursuant to a registration statement under the Securities Act of 1933, as amended (other than a registration statement relating either to the sale of securities to employees of the company pursuant to a stock option, stock purchase or similar plan, or a SEC Rule 145 transaction) or (ii) any liquidation, dissolution, or winding up of the Company. The combined value of the initial measurement and the change in the fair value of this warrant of $7.2 million is recorded as other expense in the consolidated statement of operations for the nine months ended September 30, 2014. As of September 30, 2014, this amount is also recorded as a long-term liability in the consolidated balance sheet (see discussion in Note 3).

## 10. STOCK OPTION PLAN

### *2011 Stock Option Plan*

In June 2011, the Company adopted the Hortonworks, Inc. 2011 Stock Option and Grant Plan (the "2011 Plan"). The 2011 Plan allows for grant of incentive stock options ("ISOs"), nonstatutory stock options ("NSOs"), restricted common stock and restricted stock units to employees, officers, directors and consultants of the Company. The exercise price of an option is determined by the Board of Directors when the option is granted, and may not be less than 100% of the fair market value of the shares on the date of grant, provided that the exercise price of ISOs granted to a 10% stockholder is not less than 110% of the fair market value of the shares on the date of grant. ISOs granted under the 2011 Plan generally vest 25% after the completion of 12 months of service and the balance in equal monthly installments over the next 36 months of service, and expire 10 years from the date of grant. ISOs granted to a 10% stockholder expire five years from the date of grant. NSOs vest according to the specific option agreement, and expire 10 years from the date of grant. As of September 30, 2014 (unaudited), an aggregate of 37,639,750 shares were reserved under the 2011 Plan, of which 2,224,672 shares remained available for issuance.

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A summary of activity under the 2011 Plan and related information are as follows:

| | Available for Grant (excluding restricted shares issued under the 2011 Plan) | Options Outstanding | | | |
|---|---|---|---|---|---|
| | | Number of Shares Underlying Outstanding Options | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Life (Years) | Aggregate Intrinsic Value (In thousands) |
| Outstanding–May 1, 2011 | – | – | $ – | – | |
| Options authorized | 11,550,726 | – | | | |
| Options granted (weighted average fair value of $0.10) | (6,902,067) | 6,902,067 | 0.21 | | |
| Options exercised | – | (415,000) | 0.09 | | |
| Options cancelled | 783,334 | (783,334) | 0.17 | | |
| Outstanding–April 30, 2012 | 5,431,993 | 5,703,733 | 0.22 | 9.61 | $ 357 |
| Options authorized | 5,906,855 | – | | | |
| Options granted (weighted average fair value of $0.31) | (6,936,100) | 6,936,100 | 0.68 | | |
| Options exercised | – | (726,456) | 0.17 | | |
| Options cancelled | 889,361 | (889,361) | 0.34 | | |
| Outstanding–April 30, 2013 | 5,292,109 | 11,024,016 | $ 0.51 | 9.15 | $ 4,474 |
| Options authorized | 5,106,146 | – | | | |
| Options granted (weighted average fair value of $1.10) | (5,972,726) | 5,972,726 | 2.38 | | |
| Options exercised | – | (808,857) | 0.22 | | |
| Options cancelled | 783,326 | (783,326) | 0.87 | | |
| Outstanding–December 31, 2013 | 5,208,855 | 15,404,559 | $ 1.23 | 8.95 | $ 22,990 |
| Options authorized | 15,076,023 | – | | | |
| Options granted (weighted average fair value of $3.38) (unaudited) | (13,823,935) | 13,823,935 | 6.23 | | |
| Options exercised (unaudited) | – | (796,135) | 2.04 | | |
| Options cancelled (unaudited) | 951,019 | (951,019) | 1.94 | | |
| Outstanding–September 30, 2014 (unaudited) | 7,411,962 | 27,481,340 | $ 3.70 | 8.98 | $ 169,904 |
| Vested–December 31, 2013 | | 3,277,153 | $ 0.44 | 8.37 | $ 7,479 |
| Vested and expected to vest–December 31, 2013 | | 13,439,173 | $ 1.22 | 8.94 | $ 20,152 |
| Vested–September 30, 2014 (unaudited) | | 6,232,622 | $ 0.97 | 7.99 | $ 55,553 |
| Vested and expected to vest–September 30, 2014 (unaudited) | | 23,434,419 | $ 3.74 | 9.01 | $ 143,929 |

The above table excludes 5,795,537 shares of restricted stock issued under the 2011 Plan, of which 5,187,290 were outstanding as of September 30, 2014 (unaudited).

Aggregate intrinsic value represents the difference between the exercise price of the options and the estimated fair value of the Company' s common stock determined by the board of directors for each of the respective periods. The intrinsic value of options exercised for the years ended April 30, 2012 and 2013 was $75,000 and $415,000, for the eight months ended December 31, 2012 (unaudited) and

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2013 was $173,000 and $1.5 million, and for the nine months ended September 30, 2013 and 2014 (unaudited) was $1.7 million and $2.9 million, respectively.

As of December 31, 2013 and September 30, 2014 (unaudited), unrecognized stock-based compensation of $6.8 million and $42.0 million related to unvested stock options net of estimated forfeitures is expected to be recognized on a straight-line basis over a weighted-average period of 3.26 years and 3.87 years, respectively.

***Early Exercise of Stock Options***

The Plan allows for the granting of options that may be exercised before the options have vested. Shares issued as a result of early exercise are deemed to be restricted stock for purposes of the Plan and are subject to a vesting schedule identical to the vesting schedule of the related option, as well as certain other restrictions. Shares issued as a result of early exercise that have not vested are subject to repurchase by the Company upon termination of the purchaser' s employment or services, at the price paid by the purchaser, and are not deemed to be issued for accounting purposes until those related shares vest. The amounts received in exchange for these shares have been recorded as a liability on the accompanying balance sheets and will be reclassified into common stock and additional paid-in-capital as the shares vest. The Company' s right to repurchase these shares generally lapses 1/48 of the original grant date per month over four years.

The number of shares of common stock outstanding subject to the Company' s right of repurchase at prices ranging from $0.09 to $0.27 per share for the years ended April 30, 2012 and 2013 was 337,188 and 508,613, for the eight months ended December 31, 2012 (unaudited) and 2013 was 359,066 and 471,776, and for the nine months ended September 30, 2013 and 2014 (unaudited) was 573,128 and 412,188, respectively. The liabilities associated with shares issued with repurchase rights were not material for any of the periods presented, except for the nine months ended September 30, 2014. The liability for shares subject to repurchase as of September 30, 2014 (unaudited) was $1.1 million, of which $357,000 is included in accrued liabilities and $783,000 is included in other long-term liabilities.

***Determining Fair Value for Employee Grants***

The Company estimated the fair value of stock options granted using the Black-Scholes option-pricing model with weighted-average assumptions as follows:

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | | | (unaudited) | | (unaudited) | |
| Expected term (in years) | 5.01 | 5.93 | 5.62 | 5.70 | 6.04 | 6.08 |
| Risk-free interest rate | 1.19% | 0.89% | 1.33 % | 1.40 % | 1.38 % | 1.68 % |
| Expected volatility | 46 % | 47 % | 48 % | 47 % | 47 % | 46 % |
| Dividend rate | – % | – % | – % | – % | – % | – % |

The fair value of each grant of stock options was determined using the Black-Scholes option-pricing model and assumptions discussed below. Each of these inputs is subjective and generally requires significant judgment to determine.

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*Fair Value of Common Stock*. Because the Company' s common stock is not yet publicly traded, the Company must estimate the fair value of common stock. The fair value of the common stock underlying the stock-based awards is determined by our board of directors, which considered numerous objective and subjective factors to determine the fair value of common stock at each grant date. These factors included, but were not limited to: (i) contemporaneous valuations of common stock performed by third-party specialists; (ii) the lack of marketability of the Company' s common stock; (iii) developments in the business; (iv) the prices paid in recent transactions involving the Company' s equity securities; and (v) the likelihood of achieving a liquidity event, such as an initial public offering or a merger or acquisition, given prevailing market conditions.

*Expected Term.* The Company estimates the expected term for stock options using the simplified method due to the lack of historical exercise activity for the Company. The simplified method calculates the expected term as the mid-point between the vesting date and the contractual expiration date of the award.

*Expected Volatility.* Since the Company does not have a trading history of its common stock, the expected volatility was derived from the average historical stock volatilities of several unrelated public companies within the Company' s industry that it considers to be comparable to its business over a period equivalent to the expected term of the stock option grants.

*Risk-Free Interest Rate.* The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for the expected term of the stock-based award.

*Dividend Rate.* The expected dividend yield is zero, as the Company does not currently pay a dividend and does not expect to do so in the foreseeable future.

*Forfeiture Rate.* Forfeitures are estimated based on the Company' s analysis of historical stock option forfeitures. To the extent that the forfeiture rate is different than what the Company has estimated, the compensation cost associated with unrecognized stock compensation expense will be different from Company expectations.

***Restricted Stock Purchase Agreements***

***As of December 31, 2013***

The Company has entered into restricted stock purchase agreements with certain founders and employees for the issuance of up to 16,084,442 shares of restricted common stock in exchange for services. Under the terms of the restricted stock purchase agreements, the Company has the right to repurchase any unvested shares at the original issue price (ranging from $0.09 per share to $0.91 per share) in the event of termination of service. These repurchase rights lapse over the vesting term, which varies by agreement.

The restricted stock was purchased in exchange for promissory notes (“Notes”) that accrue interest at rates ranging from 0.89% to 2.89% annually, with interest payable annually. The principal, along with any unpaid accrued interest, is payable upon the earlier of certain corporate transactions including an initial public offering, the termination of services, or nine to ten years from the date of the promissory notes. The Company has recourse against the restricted stock issued along with the Notes and recourse of up to 80% of the principal amount, and up to the full amount of accrued interest, against the individual' s personal assets.

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The Company has accounted for the Notes as non-recourse in their entirety since the Notes are not aligned with a corresponding percentage of the underlying shares. Accordingly, the non-recourse notes received by the Company as consideration for the issuance of the restricted stock have been considered as stock options for accounting purposes as the substance is similar to the grant of an option since the employee generally will relinquish the stock in lieu of repaying the Note. Nonrefundable principal payments are recorded as a credit to additional paid-in capital and nonrefundable interest is recorded as interest income.

These restricted stock arrangements are accounted for similarly to stock options until the Notes are repaid. During the year ended April 30, 2013, a total of 1,072,917 restricted shares were repurchased from two stockholders, and during the eight months ended December 31, 2013, 2,062,830 restricted shares were repurchased from one stockholder. Because the restricted shares are accounted for as options, the Notes are not recorded in the accompanying consolidated balance sheets, the shares are excluded in the totals for common stock outstanding as of April 30, 2012 and 2013 and December 31, 2013, and compensation cost is recognized over the requisite service period with an offsetting credit to additional paid-in capital. The fair value of the options were determined based on the Black-Scholes option pricing model using the following assumptions:

| | Year Ended April 30, | | Eight Months Ended December 31, | |
|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 |
| | | | (unaudited) | |
| Expected term (in years) | 5.37 | 5.63 | 5.59 | – |
| Risk-free interest rate | 1.50% | 0.81% | 0.78 % | – % |
| Expected volatility | 48 % | 46 % | 46 % | – % |
| Dividend rate | – % | – % | – % | – % |

Periodic principal payments are immediately recorded as a credit to additional paid-in capital as payments are received, and shares are recorded when they vest and when principal payments are received. The following table summarizes activity for the restricted stock arrangements:

| | Restricted Stock | Promissory Notes | Weighted Average Exercise Price | Weighted-Average Remaining Contractual Life (Years) |
|---|---|---|---|---|
| | | (in thousands, except for share and per share amounts) | | |
| Balance–May 1, 2011 | – | $ – | | |
| Restricted shares and promissory note issued outside the 2011 Plan | 18,000,000 | 1,800 | $ 0.10 | |
| Restricted shares and promissory note issued under the 2011 Plan | 2,363,473 | 674 | 0.29 | |
| Repurchased | (1,072,917 ) | (172 ) | 0.16 | |
| Notes paid following vesting of shares | (357,639 ) | (57 ) | 0.16 | |
| Balance–April 30, 2012 | 18,932,917 | 2,245 | 0.12 | 9.33 |
| Restricted shares and promissory note issued under the 2011 Plan | 2,651,525 | 1,698 | 0.64 | |
| Balance–April 30, 2013 | 21,584,442 | 3,943 | 0.18 | 8.46 |
| Repurchased | (2,062,830 ) | (186 ) | 0.09 | |
| Notes paid following vesting of shares | (3,437,170 ) | (309 ) | 0.09 | |
| Balance–December 31, 2013 | 16,084,442 | 3,448 | 0.21 | 8.56 |

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The interest amounts related to the Notes have been recognized as interest income in the accompanying consolidated statements of operations since the interest portion of the Notes is full recourse. The interest income was not material for any period presented.

***As of September 30, 2014 (unaudited)***

In January 2014, the Company entered into a stock purchase agreement with an employee for the sale of 780,539 common shares at a price of $2.38 per share. The employee purchased the stock with a promissory note ("2014 Note") for the entire amount due of approximately $1.9 million. The 2014 Note accrues interest at 1.97% annually, with interest payable annually. The principal, along with any unpaid accrued interest, is payable upon the earlier of certain corporate transactions including an initial public offering, the termination of services, or nine years from the date of the promissory notes.

The fair value of the option was determined based on the Black-Scholes option pricing model using the following assumptions:

| | |
|---|---|
| Expected term (in years) | 5.00 |
| Risk-free interest rate | 1.58% |
| Expected volatility | 40 % |
| Dividend rate | – % |

In June 2014, 608,247 restricted shares were repurchased from one shareholder for $173,000 and in September 2014, a promissory note of $120,000 for 444,444 restricted shares was paid following the vesting of the shares. As of September 30, 2014 (unaudited), there were 15,812,290 common shares under these arrangements with approximately $5.0 million in related promissory notes. The interest income recognized during the nine months ended September 30, 2013 and 2014 (unaudited) was not material.

***Stock-based Compensation***

Total stock-based compensation, including stock-based compensation to non-employees, by category was as follows (in thousands):

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | | | (unaudited) | | (unaudited) | |
| Cost of revenue | $14 | $45 | $ 44 | $132 | $83 | $320 |
| Research and development | 140 | 244 | 140 | 468 | 327 | 1,146 |
| Sales and marketing | 18 | 234 | 110 | 321 | 270 | 978 |
| General and administrative | 150 | 239 | 122 | 406 | 342 | 3,048 |
| Total stock-based compensation expense | 322 | 762 | 416 | 1,327 | 1,022 | 5,492 |

***Determining Fair value for Non-employees***

Stock-based compensation expense related to stock options granted to non-employees is recognized as the stock options are vested. As of September 30, 2014 (unaudited), the Company

**HORTONWORKS, INC.**

**Notes to Consolidated Financial Statements**

granted options to purchase 800,168 shares of common stock to non-employees with a weighted-average exercise price of $1.50 per share and 593,334 of these shares were outstanding with a weighted-average exercise price of $1.84 per share.

The Company granted non-employees options to purchase shares of common stock totaling 271,668 and 100,000 for the years ended April 30, 2012 and 2013, 100,000 and 23,500 for the eight months ended December 31, 2012 (unaudited) and 2013, and 15,000 and 405,000 for the nine months ended September 30, 2013 and 2014 (unaudited), respectively. Compensation expense related to these options was $2,000 and $55,000 during the years ended April 30, 2012 and 2013, $35,000 and $106,000 for the eight months ended December 31, 2012 (unaudited) and 2013, and $82,000 and $1.0 million for the nine months ended September 30, 2013 and 2014 (unaudited), respectively.

The Company believes that the fair value of the stock options is more reliably measurable than the fair value of services received. The fair value of the stock options granted is calculated at each reporting date using the Black-Scholes option pricing model with the following weighted-average assumptions:

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | | | (unaudited) | | (unaudited) | |
| Expected term (in years) | 9.82 | 8.98 | 9.28 | 8.47 | 8.84 | 8.93 |
| Risk-free interest rate | 1.87% | 1.56% | 1.58 % | 2.53% | 2.41% | 2.39% |
| Expected volatility | 56 % | 49 % | 51 % | 45 % | 47 % | 43 % |
| Dividend rate | – % | – % | – % | – % | – % | – % |

***2014 Stock Option and Incentive Plan***

The Company' s 2014 Stock Option and Incentive Plan, or the Company' s 2014 Plan, was adopted by the Company' s board of directors in September 2014, is expected to be approved by the Company' s stockholders in 2014 and will become effective immediately prior to the closing of this offering (or, if later, upon stockholder approval). The 2014 Plan will replace the 2011 Stock Option and Grant Plan as the Company' s board of directors has determined not to make additional awards under that plan following the consummation of this offering. The 2014 Plan allows the compensation committee to make equity-based incentive awards to the Company' s officers, employees, directors and other key persons (including consultants).

The Company has initially reserved 12,000,000 shares of the Company' s common stock for the issuance of awards under the 2014 Plan, plus the shares of the Company' s common stock remaining available for issuance under the Company' s 2011 Stock Option and Grant Plan. The 2014 Plan provides that the number of shares reserved and available for issuance under the plan will automatically increase each January 1, beginning on January 1, 2015, by 5% of the outstanding number of shares of the Company' s common stock on the immediately preceding December 31 or such lesser number of shares as determined by the Company' s compensation committee. This number is subject to adjustment in the event of a stock split, stock dividend or other change in the Company' s capitalization.

**HORTONWORKS, INC.**

**Notes to Consolidated Financial Statements**

***2014 Employee Stock Purchase Plan***

In September 2014, the Company' s board of directors adopted and approved, and the Company expects that the Company' s stockholders will adopt and approve, the Employee Stock Purchase Plan, or the ESPP. The ESPP initially reserves and authorizes the issuance of up to a total of 5,000,000 shares of common stock to participating employees. The ESPP provides that the number of shares reserved and available for issuance will automatically increase each January 1, beginning on January 1, 2015, by the lesser of (i) 2,000,000 shares of common stock, (ii) 1% of the outstanding number of shares of the Company' s common stock on the immediately preceding December 31, or (iii) such lesser number of shares as determined by the ESPP administrator. This number is subject to adjustment in the event of a stock split, stock dividend or other change in the Company' s capitalization.

Each employee who is a participant in the ESPP may purchase shares by authorizing payroll deductions of up to 10% of his or her base compensation during an offering period. Unless the participating employee has previously withdrawn from the offering, his or her accumulated payroll deductions will be used to purchase shares on the last business day of the offering period at a price equal to 85% of the fair market value of the shares on the first business day or the last business day of the offering period, whichever is lower. Under applicable tax rules, an employee may purchase no more than $25,000 worth of shares of common stock, valued at the start of the purchase period, under the ESPP in any calendar year.

## 11. NET LOSS PER SHARE OF COMMON STOCK

Basic net loss per share is calculated by dividing net loss by the weighted-average number of common shares outstanding during the period, less restricted common stock and common stock issued that is subject to repurchase, and excludes any dilutive effects of share based awards. Diluted net loss per share of common stock is computed giving effect to all potential dilutive common shares, including common stock issuable upon exercise of stock options, and unvested restricted common stock. As the Company had net losses for the years ended April 30, 2012 and 2013, the eight months ended December 31, 2012 (unaudited) and 2013, and the nine months ended September 30, 2013 and 2014 (unaudited), all potential common shares were determined to be anti-dilutive.

The following table sets forth the computation of basic and diluted net loss per share (in thousands, except share and per share amounts):

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | | | (unaudited) | | (unaudited) | |
| Net loss | $(11,521) | $(36,638) | $(19,711) | $(46,213) | $(48,400) | $(86,732) |
| Weighted-average shares used in computing net loss per share of common stock | 310,105 | 2,419,502 | 2,323,761 | 5,083,600 | 3,368,335 | 8,336,102 |
| Net loss per share, basic and diluted | $(37.15) | $(15.14) | $(8.48) | $(9.09) | $(14.37) | $(10.40) |

**HORTONWORKS, INC.**

**Notes to Consolidated Financial Statements**

The following outstanding shares of common stock equivalents were excluded from the computation of diluted net loss per share of common stock for the periods presented because including them would have been anti-dilutive:

| | April 30, | | December 31, | | September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | | | (unaudited) | | (unaudited) | |
| Convertible preferred stock (on an as if converted basis) | 24,882,808 | 24,882,808 | 24,882,808 | 31,590,975 | 31,590,975 | 43,899,075 |
| Exercise and conversion of convertible preferred stock warrants | 6,500,000 | 6,500,000 | 6,500,000 | 6,500,000 | 6,500,000 | 6,500,000 |
| Exercise and conversion of common stock warrants | – | – | – | – | – | 952,736 |
| Restricted common stock issued, net of repurchases | 16,569,444 | 21,584,442 | 21,584,442 | 16,084,442 | 16,084,442 | 15,812,290 |
| Common stock subject to repurchase | 337,188 | 508,613 | 359,066 | 471,776 | 573,128 | 412,188 |
| Stock options to purchase common stock | 8,067,206 | 16,039,014 | 15,187,894 | 20,419,557 | 15,164,883 | 27,481,340 |
| Total | 56,356,646 | 69,514,877 | 68,514,210 | 75,066,750 | 69,913,428 | 95,057,629 |

## 12. PRO FORMA NET LOSS PER SHARE OF COMMON STOCK (UNAUDITED)

In contemplation of the Company' s initial public offering, the Company has presented unaudited pro forma basic and diluted net loss per share of common stock, which has been calculated assuming the conversion of all series of the Company' s convertible preferred stock (using the as-if converted method) into shares of common stock as though the conversion had occurred as of the beginning of the period or the original date of issuance, if later.

The following table sets forth the computation of the Company' s unaudited pro forma basic and diluted net loss per share of common stock for the year ended April 30, 2013, the eight months ended December 31, 2013 and for the nine months ended September 30, 2014 (in thousands, except share and per share amounts):

| | Year Ended April 30, 2013 | Eight Months Ended December 31, 2013 | Nine Months Ended September 30, 2014 |
|---|---|---|---|
| | (unaudited) | (unaudited) | (unaudited) |
| Net loss | $(36,638) | $(46,213) | $(86,732) |
| Weighted-average shares of common stock used in computing net loss per share of common stock, basic and diluted | 2,419,502 | 5,083,600 | 8,336,102 |
| Pro forma adjustment to reflect assumed conversion of convertible preferred stock | 24,882,808 | 30,194,581 | 38,383,725 |
| Weighted-average shares of common stock used in computing pro forma net loss per share of common stock, basic and diluted | 27,302,310 | 35,278,181 | 46,719,827 |
| Pro forma net loss per share of common stock, basic and diluted | $(1.34) | $(1.31) | $(1.86) |

**HORTONWORKS, INC.**

**Notes to Consolidated Financial Statements**

## 13. INCOME TAXES

The components of the provision for income taxes for the twelve months ended April 30, 2012 and 2013 and the eight months ended December 31, 2012 and 2013, are as follows (in thousands):

| | Twelve Months Ended April 30, | | Eight Months Ended December 31, | |
|---|---|---|---|---|
| | 2012 | 2013 | 2012 (unaudited) | 2013 |
| Current: | | | | |
| Federal | $ – | $ – | $ – | $ – |
| State | 1 | 6 | 4 | 6 |
| Foreign | – | 5 | 4 | 39 |
| Total current tax expense | 1 | 11 | 8 | 45 |
| Total deferred tax benefit | – | – | – | – |
| Total tax expense | $ 1 | $ 11 | $ 8 | $ 45 |

The components of loss before income taxes by U.S. and foreign jurisdictions are as follows:

| | Twelve Months Ended April 30, | | Eight Months Ended December 31, | |
|---|---|---|---|---|
| | 2012 | 2013 | 2012 (unaudited) | 2013 |
| United States | $11,491 | $29,806 | $ 16,007 | $35,539 |
| Foreign | 29 | 6,821 | 3,696 | 10,627 |
| Total loss before income taxes | $11,520 | $36,627 | $ 19,703 | $46,168 |

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company' s deferred tax assets are as follows (in thousands):

| | April 30, 2012 | April 30, 2013 | December 31, 2013 |
|---|---|---|---|
| Deferred tax assets: | | | |
| Net operating loss carryforwards | $713 | $8,876 | $ 18,435 |
| Research and development credit | 257 | 908 | 1,615 |
| Accrued legal settlement | – | – | 1,807 |
| Depreciation and amortization | 70 | 74 | 130 |
| Accruals and reserves | 260 | 488 | 869 |
| Deferred revenue | – | 3,015 | 3,677 |
| Other | 25 | 92 | 195 |
| Gross deferred tax assets | 1,325 | 13,453 | 26,728 |
| Valuation allowance | (1,325) | (13,453) | (26,728) |
| Net deferred tax assets | $– | $– | $ – |

**HORTONWORKS, INC.**

**Notes to Consolidated Financial Statements**

The following is a reconciliation of the statutory federal income tax rate to the Company's effective tax rate:

| | Twelve Months Ended April 30, | | Eight Months Ended December 31, | |
|---|---|---|---|---|
| | 2012 | 2013 | 2012 (unaudited) | 2013 |
| Tax at federal statutory rate | 34.00 % | 34.00 % | 34.00 % | 34.00 % |
| State taxes, net of federal benefit | 5.33 | 5.68 | 5.59 | 1.79 |
| Permanent differences & other items not individually material | (1.44 ) | (1.86 ) | (1.07 ) | (0.72 ) |
| Credits | 2.23 | 1.72 | 2.14 | 1.46 |
| Intellectual property structure charge | (28.75) | – | – | – |
| Foreign tax differential | – | (6.53 ) | (6.35 ) | (7.75 ) |
| Change in valuation | (11.38) | (33.04) | (34.35 ) | (28.88) |
| Provision for income taxes | (0.01 )% | (0.03 )% | (0.04 )% | (0.10 )% |

A valuation allowance is provided when it is more likely than not that the deferred tax assets will not be realized. The Company has established a valuation allowance to offset net deferred tax assets at December 31, 2013 due to the uncertainty of realizing future tax benefits from its net operating loss carryforwards and other deferred tax assets. The net valuation allowance increased by approximately $13.3 million during the eight months ended December 31, 2013. As of December 31, 2013, the Company had net operating loss (NOL) carryforwards for federal and state tax purposes of approximately $46.3 million and $47.9 million, respectively. The NOL carryforwards will expire at various dates beginning in 2031 (federal) and 2022 (state), unless previously utilized. The Company also has federal and state research and development tax credit carryforwards of approximately $1.3 million and $1.3 million, respectively. The federal tax credits will expire at various dates beginning in 2031, unless previously utilized. The state tax credits do not expire and will carry forward indefinitely until utilized. The Company recognized an income tax benefit of $1.3 million during the nine months ended September 30, 2014 related to the release of the valuation allowance as a result of the deferred tax liability recognized in the acquisition of XA Secure. Following the contribution of the developed technology acquired in the XA Secure acquisition to the ASF in August 2014, the Company reversed the deferred tax liability with a corresponding increase in the valuation allowance.

Current laws impose substantial restrictions on the utilization of net operating loss and credit carryforwards in the event of an "ownership change" within a three year period as defined by the Internal Revenue Code Section 382. If there should be an ownership change, the Company's ability to utilize its carryforwards could be limited.

The Company has not recorded a provision for deferred U.S. tax expense that could result from the remittance of foreign undistributed earnings since the Company intends to reinvest the earnings of these foreign subsidiaries indefinitely. Determination of the amount of unrecognized deferred tax liability related to these earnings is not practicable.

The Company adopted authoritative guidance on accounting for uncertainty in income taxes in fiscal year end 2011. In accordance with these provisions, the Company records unrecognized tax benefits, where appropriate, for all uncertain income tax positions. The Company recorded unrecognized tax benefits for uncertain tax positions of approximately $0.4 million as of April 30, 2013

and $0.6 million as of December 31, 2013, of which none would impact the effective tax rate, if recognized, because the benefit would be offset by an increase in the valuation allowance.

The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. During the eight months ended December 31, 2013, the Company recognized no interest and penalties associated with unrecognized tax benefits. There are no tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within 12 months of the reporting date.

The Company files income tax returns in the U.S. federal jurisdiction, various state jurisdictions and foreign jurisdictions. The Company's tax years for fiscal year end 2011 and forward are subject to examination by the U.S. tax authorities and various state tax authorities, and the Company's tax years for fiscal year end 2013 and forward are subject to examination by various foreign tax authorities.

A reconciliation of the Company's unrecognized tax benefits is as follows (in thousands):

| | Unrecognized tax benefit |
|---|---|
| Balance as of May 1, 2011 | $ – |
| Increases related to current year's tax positions | 112 |
| Balance as of April 30, 2012 | $ 112 |
| Increases related to current year's tax positions | 254 |
| Balance as of April 30, 2013 | 366 |
| Increases related to prior years' tax positions | 6 |
| Increases related to current year's tax positions | 276 |
| Balance as of December 31, 2013 | $ 648 |

## 14. SEGMENT AND GEOGRAPHICAL INFORMATION

The Company's chief operating decision maker reviews financial information on an aggregated and consolidated basis for the purposes of allocating resources and evaluating financial performance. The Company's chief operating decision maker has direct reports who are responsible for various functions within the Company (e.g. business strategy, finance, legal, business development, products, etc.) on a consolidated basis. There are no segment managers who are held accountable for operations or operating results. The Company's growth strategy is predicated upon the growth of the support subscription business, and the Company's key business metrics reflect this strategy. Professional services are offered with the overall goal of securing and retaining support subscription customers and growing support subscription revenue. Accordingly, management has determined that the Company operates in one reportable segment.

**HORTONWORKS, INC.**

**Notes to Consolidated Financial Statements**

The Company has international sale offices in the Netherlands, United Kingdom, Germany, South Korea and India. The following presents revenue by country, determined by location of sales office (in thousands):

| | Year Ended April 30, | | Eight Months Ended December 31, | | Nine Months Ended September 30, | |
|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2012 | 2013 | 2013 | 2014 |
| | | | (unaudited) | | (unaudited) | |
| United States | $1,646 | $10,998 | $ 4,778 | $17,517 | $15,859 | $31,508 |
| Rest of world | – | – | – | 348 | 79 | 1,880 |
| Total Revenue | $1,646 | $10,998 | $ 4,778 | $17,865 | $15,938 | $33,388 |

The Company' s long-lived assets are primarily located in the United States and not allocated to any specific region. Therefore, geographic information is presented only for total revenue.

## 15. 401(K) PLAN

The Company has a qualified defined contribution plan under Section 401(k) of the Internal Revenue Code covering eligible employees. To date, the Company has not made any matching contributions to this plan.

## 16. RELATED PARTY TRANSACTIONS

In June 2011, the Company entered into a two-year commercial agreement with Yahoo! (Yahoo! is listed as Customer B in Note 2) that requires the Company to provide support subscription, and the Company issued a preferred stock warrant to Yahoo!. The initial total contract value was $2.0 million and is being paid in quarterly installments of $250,000. In June 2013, the commercial agreement was amended to automatically renew for an additional year on an annual basis, unless otherwise terminated by either party 60 days prior to the end of the then-current renewal period. Refer to Note 7 for further discussion of the preferred stock warrant.

In February 2012, the Company entered into a development, distribution and marketing agreement with Teradata. Under this and subsequent arrangements, the Company is providing support subscription and professional services to Teradata and certain of its end users. In April 2012, the Company received a nonrefundable prepayment of $9.5 million from Teradata as consideration for the support subscription offerings and professional services expected to be performed by the Company over the three-year term of this agreement.

In September 2013, the Company entered into a common stock purchase agreement with an affiliate of AT&T covering the sale and issuance of 780,539 shares of the Company' s stock for a nominal amount of consideration (AT&T is listed as Customer E in Note 2). The initial grant included restricted shares that were subject to repurchase rights by the Company. 50% of the shares vest on an equal and ratable basis over an 18-month period beginning on October 1, 2013 and the remaining 50% of shares vest in their entirety on March 31, 2015. Concurrently, the Company also entered into a commercial agreement with AT&T to provide specified support subscription and professional services over a 3-year term with a minimum annual fee of $6.0 million. Due to the lack of VSOE, this fee is being recognized ratably over the three year term. The fair value of approximately $382,000 related to the common shares where the repurchase right expired as of December 31, 2013 was recognized as

**HORTONWORKS, INC.**

**Notes to Consolidated Financial Statements**

contra-revenue. In January 2014, the Company entered into an amended stock purchase agreement with an affiliate of AT&T in which the Company relinquished its repurchase rights, at which point the fair value of the remaining shares was recognized as a reduction in revenue. The contra-revenue amount of $2.0 million (unaudited) was determined based on the fair value of the common stock on the date of modification of the stock purchase agreement.

The following table summarizes the Company' s related party transactions. See Note 7 for information regarding the terms of convertible preferred stock and common stock, and Note 8 for information regarding the terms of preferred stock warrant (in thousands, except for share amounts):

| | As of and for the Twelve Months ended April 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2012 | | | 2013 | | |
| | Yahoo! | Teradata | AT&T | Yahoo! | Teradata | AT&T |
| Shares/warrants owed by related party: | | | | | | |
| Series A preferred stock | 6,271,312 | – | – | 6,271,312 | – | – |
| Preferred stock warrants | 6,500,000 | – | – | 6,500,000 | – | – |
| Series B preferred stock | – | 1,111,111 | – | – | 1,111,111 | – |
| Common stock | – | 1,754,386 | – | – | 1,754,386 | – |
| Amounts attributable to related party: | | | | | | |
| Recognized revenue | $833 | $– | $ – | $1,049 | $400 | 669 |
| Deferred revenue | 167 | 9,545 | – | 167 | 9,100 | 111 |
| Accounts receivable | – | 45 | – | 250 | 90 | 641 |

| | As of and for the Eight Months ended December 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2012 (unaudited) | | | 2013 | | |
| | Yahoo! | Teradata | AT&T | Yahoo! | Teradata | AT&T |
| Shares/warrants owed by related party: | | | | | | |
| Series A preferred stock | 6,271,312 | – | – | 6,271,312 | – | – |
| Preferred stock warrants | 6,500,000 | – | – | 6,500,000 | – | – |
| Series B preferred stock | – | 1,111,111 | – | – | 1,111,111 | – |
| Series C preferred stock | – | – | – | 567,061 | 2,683,267 | – |
| Common stock | – | 1,754,386 | – | – | 1,754,386 | 65,044 |
| Amounts attributable to related party: | | | | | | |
| Gross revenue recognized | $715 | $3 | – | $667 | $682 | 1,988 |
| Contra-revenue recognized | – | – | – | – | – | (382 ) |
| Deferred revenue | – | 9,492 | – | – | 8,540 | 283 |
| Accounts receivable | 49 | – | – | – | 116 | 1,532 |

**HORTONWORKS, INC.**

**Notes to Consolidated Financial Statements**

| | As of and for the Nine Months ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2013 (unaudited) | | | 2014 (unaudited) | | |
| | Yahoo! | Teradata | AT&T | Yahoo! | Teradata | AT&T |
| Shares/warrants owed by related party: | | | | | | |
| Series A preferred stock | 6,271,312 | – | – | 6,271,312 | – | – |
| Preferred stock warrants | 6,500,000 | – | – | 6,500,000 | – | – |
| Series B preferred stock | – | 1,111,111 | – | – | 1,111,111 | – |
| Series C preferred stock | 567,061 | 2,683,267 | – | 567,061 | 2,683,267 | – |
| Series D preferred stock | – | – | – | 853,240 | 242,722 | – |
| Common stock | – | 1,754,386 | 780,359 | – | 1,754,386 | 780,359 |
| Common stock warrant | – | – | – | 952,736 | – | – |
| Amounts attributable to related party: | | | | | | |
| Gross revenue recognized | $750 | $788 | $1,155 | $750 | $1,104 | $4,655 |
| Contra-revenue recognized | – | – | – | – | – | (2,040) |
| Deferred revenue | – | 8,778 | 253 | – | 7,450 | 74 |
| Accounts receivable | 250 | 70 | 186 | 250 | 57 | 1,537 |

## 17. SUBSEQUENT EVENTS (unaudited)

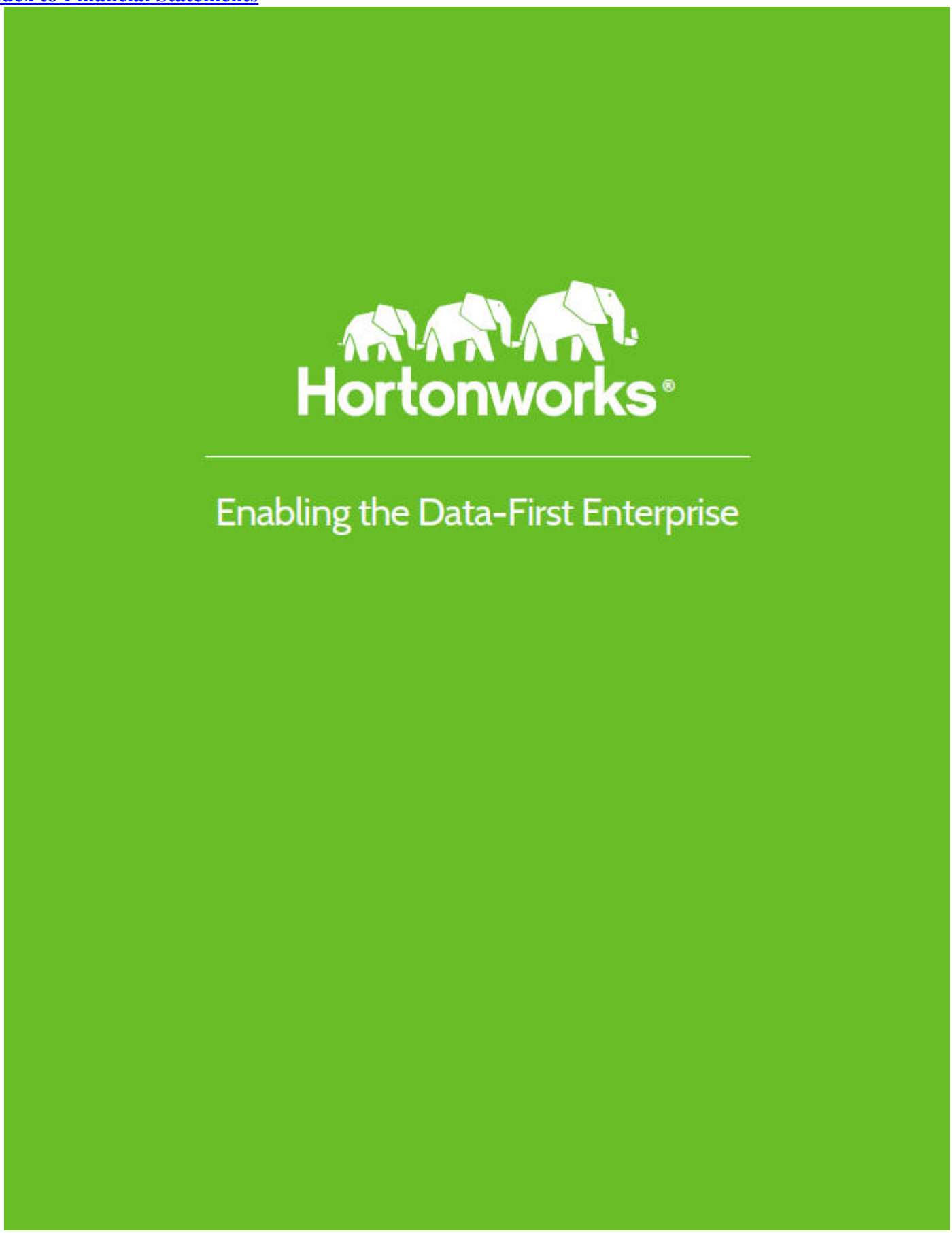
In connection with the Company' s initial publication of the December 31, 2013 financial statements, the Company evaluated subsequent events for financial statement recognition purposes through June 26, 2014. For the nine months ended September 30, 2014, the Company evaluated subsequent events through November 10, 2014, the date on which these interim financial statements were available to be issued.

***Third-Party Stock Sales***

In October 2014, certain employees of the Company, including the Chief Executive Officer, sold an aggregate of 1,000,000 shares of the Company' s common stock to certain third parties, including entities affiliated with Index Ventures, for $10.00 per share, or an aggregate purchase price of $10.0 million.

***Repurchase of Restricted Shares.***

In October 2014, the Company repurchased 308,624 shares of restricted stock for $9.88 per common share for a total purchase price of $3.0 million to facilitate the repayment of promissory notes issued under restricted stock purchase agreements.



Shares

# Hortonworks, Inc.

Common Stock

**Goldman, Sachs & Co.** | **Credit Suisse** | **RBC Capital Markets**

**Pacific Crest Securities** | **Wells Fargo Securities** | **Blackstone Capital Markets**

Through and including , 2014 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer' s obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

## PART II

## INFORMATION NOT REQUIRED IN PROSPECTUS

### ITEM 13. *OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.*

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee, and the listing fee.

| | |
|---|---|
| SEC registration fee | $11,620 |
| FINRA filing fee | 15,500 |
| NASDAQ listing fee | * |
| Printing and engraving expenses | * |
| Legal fees and expenses | * |
| Accounting fees and expenses | * |
| Custodian transfer agent and registrar fees | * |
| Blue Sky fees and expenses | * |
| Miscellaneous | * |
| Total | $ * |

* To be completed by amendment.

### ITEM 14. *INDEMNIFICATION OF DIRECTORS AND OFFICERS.*

Section 145 of the Delaware General Corporation Law authorizes a corporation' s board of directors to grant, and authorizes a court to award, indemnity to officers, directors, and other corporate agents.

Prior to the completion of this offering, we expect to adopt an amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

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

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

In addition, prior to the completion of this offering, we expect to adopt amended and restated bylaws which will provide that we will indemnify, to the fullest extent permitted by law, any person who

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

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

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

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

The underwriting agreement filed as Exhibit 1.1 to this registration statement provides for indemnification by the underwriters of the Registrant and its officers and directors for certain liabilities arising under the Securities Act and otherwise.

## ITEM 15. *RECENT SALES OF UNREGISTERED SECURITIES*.

Since April 15, 2011, the date of our incorporation, we made sales of the following unregistered securities:

We granted to our directors, officers, employees, consultants and other service providers options to purchase an aggregate of 34,309,828 shares of our common stock under our 2011 Stock Option and Grant Plan at exercise prices ranging from $0.09 to $9.88 per share.

We issued an aggregate of 5,795,537 shares of our common stock to our directors, officers, employees, consultants and other service providers pursuant to restricted stock agreements under our 2011 Stock Option and Grant Plan.

In June 2011, we sold an aggregate of 17,000,000 shares of our common stock at a purchase price of $0.09 per share to certain of our employees for an aggregate purchase price of approximately $1.5 million.

In July 2011, we sold an aggregate of 18,030,024 shares of our Series A preferred stock at a purchase price of $1.27565 per share for an aggregate purchase price of approximately $23 million to accredited investors.

In July 2011, we issued a warrant to purchase 6,500,000 shares of our Series A preferred stock at an exercise price of $0.005 per share in connection with the sale of our Series A preferred stock to an accredited investor.

In October and December 2011, we sold an aggregate of 5,611,111 shares of our Series B preferred stock at a purchase price of $4.50 per share for an aggregate purchase price of approximately $25.0 million to accredited investors.

In December 2011, we sold an aggregate of 1,000,000 shares of our common stock at a purchase price of $0.27 per share for an aggregate purchase price of approximately $270,000 to an employee.

In April 2012, we sold an aggregate of 1,241,673 shares of our Series B preferred stock at a purchase price of $4.50 per share and 1,754,386 shares of our common stock at a purchase price of $0.285 per share for an aggregate purchase price of approximately $6.1 million to accredited investors.

In June and July 2013, we sold an aggregate of 6,708,167 shares of our Series C preferred stock at a purchase price of $7.4536 per share for an aggregate purchase price of approximately $50 million to accredited investors.

In September 2013, we sold an aggregate of 780,539 shares of our common stock at a purchase price of $0.0001 per share for an aggregate purchase price of $78.06 to an accredited investor.

In March 2014, we sold an aggregate of 8,205,402 shares of our Series D preferred stock at a purchase price of $12.1871 per share for an aggregate purchase price of approximately $100 million to accredited investors.

In May 2014, we issued an aggregate of 530,028 shares of our common stock in exchange for all the issued and outstanding shares of XA Secure.

In June 2014, we issued a warrant to purchase 952,736 shares of our common stock, subject to further adjustment in the event that we sell any additional shares of our Series D preferred stock or warrants to purchase shares of our Series D preferred stock prior to the completion of a public offering or other liquidation event, at an exercise price of $4.23 per share to an accredited investor.

In July 2014, we sold and issued an aggregate of 4,102,698 shares of our Series D preferred stock at a purchase price of $12.1871 per share for an aggregate purchase price of approximately $50 million to an accredited investor.

We believe these transactions were exempt from registration under the Securities Act in reliance upon Section 4(2) of the Securities Act, Regulation D, or Regulation S promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented

their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about Hortonworks.

## ITEM 16. *EXHIBITS AND CONSOLIDATED FINANCIAL STATEMENT SCHEDULES.*

(a) Exhibits.

See the Exhibit Index on the page immediately following the signature page for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

(b) Consolidated financial statement Schedules.

All schedules are omitted because the required information is either not present, not present in material amounts or is presented within the consolidated financial statements included in the prospectus that is part of this registration statement.

## ITEM 17. *UNDERTAKINGS.*

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, or the Act, may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, as amended, 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 of 1933, as amended, 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, as amended, 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.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Palo Alto, State of California, on November 10, 2014.

**HORTONWORKS, INC.**

By: /s/ Robert Bearden
Robert Bearden
*Chief Executive Officer, and Director*

## POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Robert Bearden and Scott Davidson, jointly and severally, as such person' s true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for such person and in such person' s name, place and stead, in any and all capacities, to sign the Registration Statement on Form S-1 of Hortonworks, Inc., and any or all amendments (including post-effective amendments) thereto and any new registration statement with respect to the offering contemplated thereby filed pursuant to Rule 462(b) of the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises hereby ratifying and confirming all that said attorneys-in-fact and agent, or any of them or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated below.

| Signature | Title | Date |
|---|---|---|
| /s/ Robert Bearden<br>**Robert Bearden** | Chief Executive Officer and Director<br>(Principal Executive Officer) | November 10, 2014 |
| **/s/ Scott Davidson**<br>**Scott Davidson** | Chief Financial Officer<br>(Principal Accounting and Financial Officer) | November 10, 2014 |
| **/s/ Paul Cormier**<br>**Paul Cormier** | Director | November 10, 2014 |
| **/s/ Peter Fenton**<br>**Peter Fenton** | Director | November 10, 2014 |
| **/s/ Martin Fink**<br>**Martin Fink** | Director | November 10, 2014 |
| **/s/ Kevin Klausmeyer**<br>**Kevin Klausmeyer** | Director | November 10, 2014 |
| **/s/ Jay Rossiter**<br>**Jay Rossiter** | Director | November 10, 2014 |
| **/s/ Michelangelo Volpi**<br>**Michelangelo Volpi** | Director | November 10, 2014 |

## EXHIBIT INDEX

| Exhibit Number | Description |
|---|---|
| 1.1* | Form of Underwriting Agreement. |
| 3.1 | Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect. |
| 3.2 | Form of Amended and Restated Certificate of Incorporation of the Registrant to be in effect immediately prior to the completion of this offering. |
| 3.3 | Bylaws of the Registrant, as currently in effect. |
| 3.4 | Form of Amended and Restated Bylaws of the Registrant to be adopted immediately prior to the completion of this offering. |
| 4.1* | Form of common stock certificate of the Registrant. |
| 4.2 | Amended and Restated Investors' Rights Agreement by and among the Registrant and certain of its stockholders, dated July 23, 2014. |
| 4.3 | Warrant to Purchase Shares of Series A Preferred Stock issued to Yahoo! Inc. by the Registrant, dated July 1, 2011. |
| 4.4 | Warrant to Purchase Shares of Common Stock issued to Yahoo! Inc. by the Registrant, dated June 9, 2014. |
| 4.5 | Allocation Agreement between the Registrant and Passport Capital, LLC, dated March 24, 2014. |
| 5.1* | Opinion of Goodwin Procter LLP. |
| 10.1 | Form of Indemnification Agreement between the Registrant and each of its directors and executive officers. |
| 10.2# | 2011 Stock Option and Grant Plan, as amended, and forms of agreements thereunder. |
| 10.3# | 2014 Stock Option and Incentive Plan and related form agreements. |
| 10.4.1# | Employment Agreement by and between the Registrant and Robert Bearden, dated October 30, 2014. |
| 10.4.2# | Employment Agreement by and between the Registrant and Scott Davidson, dated October 30, 2014. |
| 10.4.3# | Form of Employment Agreement with other executive officers. |
| 10.5 | Lease between SI 44 LLC and the Registrant, dated September 18, 2012. |
| 10.6 | Stadium Techcenter Lease between The Landing SC, LLC, as Landlord, and the Registrant, as Tenant, dated May 19, 2014. |
| 10.7† | Commercial Agreement, as amended, between the Registrant and Yahoo! Inc., dated June 21, 2011. |
| 10.8 | Restricted Stock Purchase Agreement by and between the Registrant and Robert Bearden, dated June 30, 2011. |
| 10.9 | Restricted Stock Purchase Agreement by and between the Registrant and Shaun Connolly, dated December 27, 2011. |
| 10.10# | 2014 Employee Stock Purchase Plan. |
| 10.11# | Senior Executive Cash Incentive Bonus Plan |
| 10.12# | Non-Employee Director Compensation Policy |
| 10.13† | HDP for Microsoft Platforms Agreement between the Registrant and Microsoft Corporation, dated July 3, 2012. |

| | |
|---|---|
| 21.1 | List of Subsidiaries. |
| 23.1 | Consent of Deloitte & Touche, LLP independent registered public accounting firm. |
| 23.2* | Consent of Goodwin Procter LLP (included in Exhibit 5.1). |
| 24.1 | Power of Attorney (see page II-5 of this Registration Statement on Form S-1). |

* To be filed by amendment.
# Indicates management contract or compensatory plan, contract or agreement.
† Confidential treatment requested as to certain portions of this exhibit, which portions have been omitted and submitted separately to the Securities and Exchange Commission.

**Exhibit 3.1**

# AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF HORTONWORKS, INC.

**(Pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware)**

**HORTONWORKS, INC.**, a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "General Corporation Law"),

**DOES HEREBY CERTIFY**:

**FIRST**: That the name of this corporation is **Hortonworks, Inc.** and that this corporation was originally incorporated pursuant to the General Corporation Law on April 15, 2011 under the name H2 Source, Inc.

**SECOND**: That the Board of Directors duly adopted resolutions proposing to amend and restate the Amended and Restated Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

**RESOLVED**, that the Amended and Restated Certificate of Incorporation of this corporation be amended and restated in its entirety as follows:

## ARTICLE I

The name of this corporation is Hortonworks, Inc.

## ARTICLE II

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

## ARTICLE III

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

## ARTICLE IV

A. Authorization of Stock. This corporation is authorized to issue two classes of stock to be designated, respectively, common stock and preferred stock. The total number of shares that this corporation is authorized to issue is 164,899,075. The total number of shares of common stock authorized to be issued is 114,500,000, par value $0.0001 per share (the "Common Stock"). The total number of shares of preferred stock authorized to be issued is 50,399,075, par value $0.0001 per share (the "Preferred Stock"), 24,530,024 of which shares are designated as "Series A Preferred Stock," 6,852,784 of which shares are designated as "Series B Preferred Stock," 6,708,167 of which shares are designated as "Series C Preferred Stock" and 12,308,100 of which shares are designated as "Series D Preferred Stock."

B. Rights, Preferences and Restrictions of Preferred Stock. The rights, preferences, privileges and restrictions granted to and imposed on the Preferred Stock are as set forth below in this Article IV(B).

1. Dividend Provisions.

(a) The holders of shares of Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of this corporation) on the Common Stock of this corporation, at the applicable Dividend Rate (as defined below), payable when, as and if declared by the Board of Directors. Such dividends shall not be cumulative. The holders of the outstanding Preferred Stock can waive any dividend preference that such holders shall be entitled to receive under this Section 1 upon the affirmative vote or written consent of the holders of at least a majority of the shares of Preferred Stock then outstanding (voting together as a single class and not as separate series, and on an as-converted basis) provided that such waiver applies to each outstanding series of Preferred Stock in the same proportionate manner and to the same proportionate extent. For purposes of this subsection 1(a), "Dividend Rate" shall mean $0.1021 per annum for each share of Series A Preferred Stock, $0.3600 for each share of Series B Preferred Stock, $0.5963 for each share of Series C Preferred Stock, and $0.9750 for each share of Series D Preferred Stock (each as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like, other than effected pursuant to Article IV.A.1 of that certain Amended and Restated Certificate of Incorporation filed with the Secretary of State for the State of Delaware on October 28, 2011 (the "Forward Split")).

(b) After payment of such dividends, any additional dividends or distributions shall be distributed among all holders of Common Stock and Preferred Stock in proportion to the number of shares of Common Stock that would be held by each such holder if all shares of Preferred Stock were converted to Common Stock at the then effective conversion rate.

2. Liquidation Preference.

(a) In the event of any Liquidation Event (as defined below), either voluntary or involuntary, the holders of each series of Preferred Stock shall be entitled to receive, prior and in preference to any distribution of the proceeds of such Liquidation Event (the "Proceeds") to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the sum of the applicable Original Issue Price (as defined below) for such series of Preferred Stock, plus declared but unpaid dividends on such share. If, upon the occurrence of such event, the Proceeds thus distributed among the holders of the Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire Proceeds legally available for distribution shall be distributed ratably among the holders of the Preferred Stock in proportion to the full preferential amount that each such holder is otherwise entitled to receive under this subsection (a). For purposes of this Amended and Restated Certificate of Incorporation, "Original Issue Price" shall mean $1.2757 per share for each share of the Series A Preferred Stock, $4.5000 per share for each share of Series B Preferred Stock, $7.4536 per share for each share of Series C Preferred Stock and $12.1871 per share for each share of Series D Preferred Stock (each as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such series of Preferred Stock, other than the Forward Split).

(b) Upon completion of the distribution required by subsection (a) of this Section 2, all of the remaining Proceeds available for distribution to stockholders shall be distributed among the holders of Common Stock pro rata based on the number of shares of Common Stock held by each.

(c) Notwithstanding the above, for purposes of determining the amount each holder of shares of Preferred Stock is entitled to receive with respect to a Liquidation Event, each such holder of shares of a series of Preferred Stock shall be deemed to have converted (regardless of whether such holder actually converted) such holder' s shares of such series into shares of Common Stock immediately prior to the Liquidation Event if, as a result of an actual conversion, such holder would receive, in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such series of Preferred Stock into shares of Common Stock. If any such holder shall be deemed to have converted shares of Preferred Stock into Common Stock pursuant to this paragraph, then such holder shall not be entitled to receive any distribution that would otherwise be made to holders of Preferred Stock that have not converted (or have not been deemed to have converted) into shares of Common Stock.

(d) (i) For purposes of this Section 2, a "Liquidation Event" shall include (A) the closing of the sale, transfer, exclusive license or other disposition of all or substantially all of this corporation' s assets, (B) the consummation of the merger or consolidation of this corporation with or into another entity (except a merger or consolidation in which the holders of capital stock of this corporation immediately prior to such merger or consolidation continue to hold at least 50% of the voting power of the capital stock of this corporation or the surviving or acquiring entity), (C) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of this corporation' s securities),

of this corporation' s securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting stock of this corporation (or the surviving or acquiring entity) or (D) a liquidation, dissolution or winding up of this corporation; provided, however, that a transaction shall not constitute a Liquidation Event if its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held this corporation' s securities immediately prior to such transaction. Notwithstanding the prior sentence, neither (i) the sale of shares of Series D Preferred Stock or (ii) the sale of Preferred Stock in a bona fide cash financing transaction shall be deemed a "Liquidation Event." The treatment of any particular transaction or series of related transactions as a Liquidation Event may be waived by the vote or written consent of the holders of at least a majority of the outstanding Preferred Stock (voting together as a single class and not as separate series, and on an as-converted basis); provided, however, that such waiver will not apply with respect to the Series D Preferred Stock without the approval of the holders of a majority of the shares of Series D Preferred Stock outstanding at the time of such vote (voting as a separate series) unless (X) the holders of Series D Preferred Stock receive the full amount of Proceeds for which they are entitled under Article IV.B.2(a) above or (Y) the Proceeds distributed among all holders of Preferred Stock are insufficient to permit the payment to all holders of Preferred Stock of the full amount of Proceeds for which they are entitled under Article IV.B.2(a) above and (1) no shares of Preferred Stock are converted to Common Stock in connection with such transaction and (2) all holders of shares of Preferred Stock receive the same percentage of the amount of Proceeds which they would have been entitled under Article IV.B.2(a) above.

(ii) In any Liquidation Event, if Proceeds received by this corporation or its stockholders is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

(A) Securities not subject to investment letter or other similar restrictions on free marketability covered by (B) below:

(1) If traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the twenty (20) trading-day period ending three (3) trading days prior to the closing of the Liquidation Event;

(2) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the twenty (20) trading-day period ending three (3) trading days prior to the closing of the Liquidation Event; and

(3) If there is no active public market, the value shall be the fair market value thereof, as mutually and reasonably determined by this corporation and the holders of at least a majority of the voting power of all then outstanding shares of Preferred Stock (voting together as a single class and not as separate series, and on an as-converted basis).

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely

by virtue of a stockholder' s status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (A) (1), (2) or (3) to reflect the approximate fair market value thereof, as mutually and reasonably determined by the Board of Directors of this corporation and the holders of a majority of the voting power of all then outstanding shares of such Preferred Stock (voting together as a single class and not as separate series, and on an as-converted basis).

(C) The foregoing methods for valuing non-cash consideration to be distributed in connection with a Liquidation Event shall, with the appropriate approval of the definitive agreements governing such Liquidation Event by the Board of Directors of this corporation and the stockholders under the General Corporation Law and Section 6 of this Article IV(B), be superseded by the determination of such value set forth in the definitive agreements governing such Liquidation Event.

(iii) In the event the requirements of this Section 2 are not complied with, this corporation shall forthwith either:

(A) cause the closing of such Liquidation Event to be postponed until such time as the requirements of this Section 2 have been complied with; or

(B) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in subsection 2(d)(iv) hereof.

(iv) This corporation shall give each holder of record of Preferred Stock written notice of such impending Liquidation Event not later than twenty (20) days prior to the stockholders' meeting called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 2, and this corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after this corporation has given the first notice provided for herein or sooner than ten (10) days after this corporation has given notice of any material changes provided for herein; provided, however, that subject to compliance with the General Corporation Law such periods may be shortened or waived upon the written consent of (A) the holders of the Series A Preferred Stock that represent at least sixty-six percent (66%) of the voting power of all then outstanding shares of such Series A Preferred Stock (voting as a separate series), (B) the holders of the Series B Preferred Stock that represent at least a majority of the voting power of all then outstanding shares of such Series B Preferred Stock (voting as a separate series), and (C) the holders of a majority of the then outstanding shares of Preferred Stock (voting together as a single class and not as separate series, and on an as-converted basis).

3. Redemption. The Preferred Stock is not redeemable at the option of the holder thereof.

4. Conversion. The holders of the Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of this corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the applicable Original Issue Price for such series by the applicable Conversion Price for such series (the conversion rate for a series of Preferred Stock into Common Stock is referred to herein as the "Conversion Rate" for such series), determined as hereafter provided, in effect on the date the certificate is surrendered for conversion. The initial Conversion Price per share for each series of Preferred Stock shall be the Original Issue Price applicable to such series; provided, however, that the Conversion Price for the Preferred Stock shall be subject to adjustment as set forth in subsection 4(d).

(b) Automatic Conversion. Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Rate at the time in effect for such series of Preferred Stock immediately upon the earlier of (i) the closing of this corporation' s sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement on Form S-1 under the Securities Act of 1933, as amended, the public offering price of which was not less than $100,000,000 in the aggregate (including any amounts invested pursuant to the Allocation Agreement (the "Allocation Agreement") by and between the Company and certain holders of Series D Preferred Stock dated as of March 24, 2014, irrespective of whether such amounts are invested in the public offering) (a "Qualified Public Offering") or (ii) the date, or the occurrence of an event, specified by vote or written consent or agreement of each of (A) the holders of at least sixty-six percent (66%) of the then outstanding shares of Series A Preferred Stock (voting as a separate series), (B) the holders of at least a majority of the then outstanding shares of Series B Preferred Stock (voting as a separate series), (C) the holders of a majority of the then outstanding shares of Series D Preferred Stock (voting as a separate series), and (D) the holders of at least a majority of the then outstanding shares of Preferred Stock (voting together as a single class and not as separate series, and on an as-converted basis).

(c) Mechanics of Conversion. Before any holder of Preferred Stock shall be entitled to voluntarily convert the same into shares of Common Stock, he or she shall surrender the certificate or certificates therefor, duly endorsed, at the office of this corporation or of any transfer agent for the Preferred Stock, and shall give written notice to this corporation at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. This corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of Preferred Stock to be converted (or the

date the holder notifies this corporation or its transfer agent that such certificate or certificates have been lost, stolen or destroyed and executes an agreement reasonably satisfactory to this corporation to indemnify the corporation from any loss incurred by it in connection with such certificates) unless another date is specified in the written notice of election to convert, in which case such conversion shall be deemed to have been made immediately prior to the close of business on such specified date, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten offering of securities registered pursuant to the Securities Act of 1933, as amended, the conversion may, at the option of any holder tendering Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the persons entitled to receive the Common Stock upon conversion of the Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such sale of securities. If the conversion is in connection with Automatic Conversion provisions of subsection 4(b)(ii) above, such conversion shall be deemed to have been made on the conversion date described in the stockholder consent approving such conversion, and the persons entitled to receive shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holders of such shares of Common Stock as of such date.

(d) Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations. The Conversion Price of the Preferred Stock shall be subject to adjustment from time to time as follows:

(i) (A) If this corporation shall issue, on or after the date upon which this Amended and Restated Certificate of Incorporation is accepted for filing by the Secretary of State of the State of Delaware (the "Filing Date"), any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price applicable to a series of Preferred Stock in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for such series in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (i)) be adjusted to a price (calculated to the nearest one-thousandth of a cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of shares of Common Stock Outstanding (as defined below) immediately prior to such issuance plus the number of shares of Common Stock that the aggregate consideration received by this corporation for such issuance would purchase at such Conversion Price; and the denominator of which shall be the number of shares of Common Stock Outstanding (as defined below) immediately prior to such issuance plus the number of shares of such Additional Stock. For purposes of this Section 4(d)(i)(A), the term "Common Stock Outstanding" shall mean and include the following: (1) outstanding Common Stock, (2) Common Stock issuable upon conversion of outstanding Preferred Stock, (3) Common Stock issuable upon exercise of outstanding stock options and (4) Common Stock issuable upon exercise (and, in the case of warrants to purchase Preferred Stock, conversion) of outstanding warrants. Shares described in (1) through (4) above shall be included whether vested or unvested, whether contingent or non-contingent and whether exercisable or not yet exercisable. In the event that this corporation issues or sells, or is deemed to have issued or sold, shares of Additional Stock that results in an adjustment to a Conversion Price pursuant to the provisions of this Section 4(d) (the "First Dilutive Issuance"), and this corporation then issues or

sells, or is deemed to have issued or sold, shares of Additional Stock in a subsequent issuance other than the First Dilutive Issuance that would result in further adjustment to a Conversion Price (a "Subsequent Dilutive Issuance") pursuant to the same instruments as the First Dilutive Issuance, then and in each such case upon a Subsequent Dilutive Issuance the applicable Conversion Price for each series of Preferred Stock shall be reduced to the applicable Conversion Price that would have been in effect had the First Dilutive Issuance and each Subsequent Dilutive Issuance all occurred on the closing date of the First Dilutive Issuance.

(B) No adjustment of the Conversion Price for the Preferred Stock shall be made in an amount less than one tenth of one cent per share. Except to the limited extent provided for in subsections (E)(3) and (E)(4), no adjustment of such Conversion Price pursuant to this subsection 4(d)(i) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment.

(C) In the case of the issuance of Additional Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by this corporation for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance of the Additional Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as reasonably determined by the Board of Directors irrespective of any accounting treatment.

(E) In the case of the issuance of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for purposes of determining the number of shares of Additional Stock issued and the consideration paid therefor:

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account potential antidilution adjustments) of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subsections 4(d)(i)(C) and (d)(i)(D)), if any, received by this corporation upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights (without taking into account potential antidilution adjustments) for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of, or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) for, any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights

were issued and for a consideration equal to the consideration, if any, received by this corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by this corporation (without taking into account potential antidilution adjustments) upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subsections 4(d)(i)(C) and (d)(i)(D)).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to this corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, the Conversion Price of the Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Price of the Preferred Stock, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities that remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(5) The number of shares of Additional Stock deemed issued and the consideration deemed paid therefor pursuant to subsections 4(d)(i)(E)(1) and (2) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either subsection 4(d)(i)(E)(3) or (4).

(ii) "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to subsection 4(d)(i)(E)) by this corporation on or after the Filing Date other than (collectively, the "Excluded Securities"):

(A) Common Stock issued pursuant to a transaction described in subsection 4(d)(iii) hereof;

(B) Common Stock issued to employees, directors, consultants and other service providers for the primary purpose of soliciting or retaining their services pursuant to plans or agreements approved by this corporation' s Board of Directors;

(C) Common Stock issued pursuant to a Qualified Public Offering;

(D) Common Stock issued pursuant to the conversion or exercise of convertible or exercisable securities outstanding on the Filing Date;

(E) Common Stock issued pursuant to the conversion of Preferred Stock, including but not limited to the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, and Series A Preferred Stock issued upon exercise of the warrant issued pursuant to the Series A Preferred Stock Purchase Agreement dated on June 21, 2011;

(F) Common Stock issued in connection with a bona fide business acquisition by this corporation, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise and approved by the Board of Directors;

(G) Common Stock issued or deemed issued pursuant to subsection 4(d)(i)(E) as a result of a decrease in the Conversion Price of any series of Preferred Stock resulting from the operation of Section 4(d);

(H) Common Stock issued upon conversion of the Preferred Stock;

(I) Common Stock issued pursuant to any equipment leasing arrangement or debt financing arrangement, which arrangement is approved by the Board of Directors and is primarily for non-equity financing purposes;

(J) Common Stock issued pursuant to the Allocation Agreement; or

(K) Common Stock that is issued with the unanimous approval of the Board of Directors of this corporation and the Board of Directors specifically states that it shall not be Additional Stock; provided, however that the number of shares of Common Stock issued pursuant to this clause (K) shall not exceed an aggregate of 694,651 shares of Common Stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like with respect to such series of Preferred Stock, other than the Forward Split) in any given calendar year.

(iii) In the event this corporation should at any time or from time to time after the Filing Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock (other than the Forward Split) or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price of the Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in subsection 4(d)(i)(E).

(iv) If the number of shares of Common Stock outstanding at any time after the Filing Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Price for the Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(e) Other Distributions. In the event this corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by this corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 4(d)(iii) (other than the Forward Split), then, in each such case for the purpose of this subsection 4(e), the holders of the Preferred Stock shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of this corporation into which their shares of Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of this corporation entitled to receive such distribution.

(f) Recapitalizations. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 4 or in Section 2 and the Forward Split) provision shall be made so that the holders of the Preferred Stock shall thereafter be entitled to receive upon conversion of the Preferred Stock the number of shares of stock or other securities or property of this corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of the Preferred Stock after the recapitalization to the end that the provisions of this Section 4 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of the Preferred Stock) shall be applicable after that event as nearly equivalently as may be practicable.

(g) No Fractional Shares and Certificate as to Adjustments.

(i) No fractional shares shall be issued upon the conversion of any share or shares of the Preferred Stock and the aggregate number of shares of Common Stock to be issued to particular stockholders, shall be rounded down to the nearest whole share and the corporation shall pay in cash the fair market value of any fractional shares as of the time when entitlement to receive such fractions is determined. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of Preferred Stock pursuant to this Section 4, this corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms

hereof and prepare and furnish to each holder of Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. This corporation shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for such series of Preferred Stock at the time in effect, and (C) the number of shares of Common Stock and the amount, if any, of other property that at the time would be received upon the conversion of a share of Preferred Stock.

(h) Notices of Record Date. In the event of any taking by this corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, this corporation shall mail to each holder of Preferred Stock, at least ten (10) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution, and the amount and character of such dividend or distribution.

(i) Reservation of Stock Issuable Upon Conversion. This corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, this corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of 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 Amended and Restated Certificate of Incorporation.

(j) Waiver of Adjustment to Conversion Price. Notwithstanding anything herein to the contrary, (A) any downward adjustment of the Conversion Price of the Series A Preferred Stock may be waived, either prospectively or retroactively and either generally or in a particular instance, by the consent or vote of the holders of at least sixty-six percent (66%) of the outstanding shares of Series A Preferred Stock (voting as a separate series), (B) any downward adjustment of the Conversion Price of the Series B Preferred Stock may be waived, either prospectively or retroactively and either generally or in a particular instance, by the consent or vote of the holders of at least a majority of the outstanding shares of Series B Preferred Stock (voting as a separate series), (C) any downward adjustment of the Conversion Price of the Series C Preferred Stock may be waived, either prospectively or retroactively and either generally or in a particular instance, by the consent or vote of the holders of at least a majority of the outstanding shares of Series C Preferred Stock (voting as a separate series), and (D) any downward adjustment of the Conversion Price of the Series D Preferred Stock may be waived, either prospectively or retroactively and either generally or in a particular instance, by the consent or vote of the holders of at least a majority of the outstanding shares of Series D Preferred Stock (voting as a separate series). Any such waiver shall bind all future holders of shares of such series of Preferred Stock.

5. Voting Rights.

(a) General Voting Rights. The holder of each share of Preferred Stock shall have the right to one vote for each share of Common Stock into which such Preferred Stock could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any stockholders' meeting in accordance with the Bylaws of this corporation, and except as provided by law or in subsection 5(b) below with respect to the election of directors by the separate class vote of the holders of Common Stock, shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

(b) Voting for the Election of Directors. As long as at least twenty-five percent (25%) of the shares of Series B Preferred Stock originally issued remain outstanding, the holders of such shares of Series B Preferred Stock shall be entitled to elect one (1) director of this corporation at any election of directors. As long as at least twenty-five percent (25%) of the shares of Series A Preferred Stock originally issued remain outstanding, the holders of such shares of Series A Preferred Stock shall be entitled to elect two (2) directors of this corporation at any election of directors. The holders of outstanding Preferred Stock shall be entitled to elect one (1) director of this corporation at any election of directors. The holders of outstanding Common Stock shall be entitled to elect one (1) director of this corporation at any election of directors. The holders of Preferred Stock and Common Stock (voting together as a single class and not as separate series, and on an as-converted basis) shall be entitled to elect any remaining directors of this corporation.

Notwithstanding the provisions of Section 223(a)(1) and 223(a)(2) of the General Corporation Law, any vacancy, including newly created directorships resulting from any increase in the authorized number of directors or amendment of this Amended and Restated Certificate of Incorporation, and vacancies created by removal or resignation of a director, may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the directors elected by the holders of a class or series of stock, the holders of shares of such class or series may override the Board' s action to fill such vacancy by (i) voting for their own designee to fill such vacancy at a meeting of the corporation' s stockholders or (ii) written consent, if the consenting stockholders hold a sufficient number of shares to elect their designee at a meeting of the stockholders. Any director may be removed during his or her term of office, either with or without cause, by, and only by, the affirmative vote of the holders of the shares of the class or series of stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to written consent.

6. Restrictions and Limitations.

(a) Class Protective Provisions. So long as any shares of Preferred Stock originally issued remain outstanding, this corporation shall not, either directly or indirectly (by amendment, merger, consolidation or otherwise), without, in addition to any other vote required by law or this Amended and Restated Certificate of Incorporation, obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Preferred Stock (voting together as a single class and not as separate series, and on an as-converted basis), and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) consummate (i) a Liquidation Event or (ii) the sale or exclusive license of a material portion of this corporation' s intellectual property assets;

(ii) amend this corporation' s Certificate of Incorporation or Bylaws;

(iii) increase or decrease (other than by redemption or conversion) the total number of authorized shares of Common Stock or Preferred Stock or designated shares of any series of Preferred Stock;

(iv) create (by reclassification or otherwise), authorize or issue any equity security (including any other security convertible into, exchangeable for or exercisable for any such equity security) having a preference over, or being on a parity with, any series of Preferred Stock, other than the issuance of any authorized but unissued shares of Series A Preferred Stock upon the exercise of any warrants outstanding as of the Filing Date, or Series D Preferred Stock designated in this Amended and Restated Certificate of Incorporation (including any security convertible into or exercisable for such shares of Preferred Stock);

(v) redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) (or permit any subsidiary to purchase or redeem) any share or shares of Preferred Stock or Common Stock; provided, however, that this restriction shall not apply to the repurchase of shares of Common Stock from employees, officers, directors, consultants or other persons performing services for this corporation or any subsidiary pursuant to agreements under which this corporation has the option to repurchase such shares, at the lesser of cost or current fair market value, upon the occurrence of certain events, such as the termination of employment or service, or pursuant to a right of first refusal;

(vi) change the authorized number of directors of this corporation;

(vii) pay or declare any dividend or make any other cash distribution on any shares of capital stock of the corporation; or

(viii) elect or remove this corporation' s chief executive officer.

(b) Series A Preferred Stock Protective Provisions. So long as any shares of Series A Preferred Stock originally issued remain outstanding, this corporation shall

not (by amendment, merger, consolidation or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least sixty-six percent (66%) of the then outstanding shares of Series A Preferred Stock, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) alter or change the powers, preferences or special rights of the shares of Series A Preferred Stock so as to affect them adversely as set forth in Section 242(b)(2) of the Delaware General Corporation Law or alter or change Sections 2(a), 4(b)(ii)(A), 4(j)(A), 5(b) or 6(b) of this Article IV(B) in a manner that adversely affects the powers, preferences or special rights of the shares of Series A Preferred Stock (provided, however, that for clarity it is acknowledged that the authorization or issuance of a new series of preferred stock by the corporation shall not, on its own, be deemed to adversely affect the powers, preferences or special rights of the Series A Preferred Stock); or

(ii) create or authorize the creation of additional shares of Series A Preferred Stock.

(c) Series B Preferred Stock Protective Provisions. So long as any shares of Series B Preferred Stock originally issued remain outstanding, this corporation shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of a majority of the then outstanding shares of Series B Preferred Stock, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) alter or change the powers, preferences or special rights of the shares of Series B Preferred Stock so as to affect them adversely as set forth in Section 242(b)(2) of the Delaware General Corporation Law or alter or change Sections 2(a), 4(b)(ii)(B), 4(j)(B), 5(b) or 6(c) of this Article IV(B) in a manner that adversely affects the powers, preferences or special rights of the shares of Series B Preferred Stock (provided, however, that for clarity it is acknowledged that the authorization or issuance of a new series of preferred stock by the corporation shall not, on its own, be deemed to adversely affect the powers, preferences or special rights of the Series B Preferred Stock); or

(ii) create or authorize the creation of additional shares of Series B Preferred Stock.

(d) Series C Preferred Stock Protective Provisions. So long as any shares of Series C Preferred Stock originally issued remain outstanding, this corporation shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of a majority of the then outstanding shares of Series C Preferred Stock, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) alter or change the powers, preferences or special rights of the shares of Series C Preferred Stock so as to affect them adversely as set forth in Section 242(b)(2) of the Delaware General Corporation Law or alter or change Sections 2(a), 4(j)(C) or 6(d) of this Article IV(B) in a manner that adversely affects the powers, preferences or special

rights of the shares of Series C Preferred Stock (provided, however, that for clarity it is acknowledged that the authorization or issuance of a new series of preferred stock by the corporation shall not, on its own, be deemed to adversely affect the powers, preferences or special rights of the Series C Preferred Stock); or

(ii) create or authorize the creation of additional shares of Series C Preferred Stock.

(e) Series D Preferred Stock Protective Provisions. So long as any shares of Series D Preferred Stock originally issued remain outstanding, this corporation shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of a majority of the then outstanding shares of Series D Preferred Stock, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

(i) alter or change the powers, preferences or special rights of the shares of Series D Preferred Stock so as to affect them adversely as set forth in Section 242(b)(2) of the Delaware General Corporation Law or alter or change Sections 2(a), 2(d)(i), 4(b)(i), 4(b)(ii)(C), 4(d), 4(j)(D) or 6(e) of this Article IV(B) in a manner that adversely affects the powers, preferences or special rights of the shares of Series D Preferred Stock (provided, however, that for clarity it is acknowledged that the authorization or issuance of a new series of preferred stock by the corporation shall not, on its own, be deemed to adversely affect the powers, preferences or special rights of the Series D Preferred Stock); or

(ii) create or authorize the creation of additional shares of Series D Preferred Stock.

7. Status of Converted Stock. In the event any shares of Preferred Stock shall be converted pursuant to Section 4 hereof, the shares so converted shall be cancelled and shall not be issuable by this corporation. The Amended and Restated Certificate of Incorporation of this corporation shall be appropriately amended to effect the corresponding reduction in this corporation' s authorized capital stock.

8. Notices. Any notice required by the provisions of this Article IV(B) to be given to the holders of shares of Preferred Stock shall be deemed given (i) if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his, her or its address appearing on the books of this corporation, (ii) if such notice is provided by electronic transmission in a manner permitted by Section 232 of the General Corporation Law, or (iii) if such notice is provided in another manner then permitted by the General Corporation Law.

C. Common Stock. The rights, preferences, privileges and restrictions granted to and imposed on the Common Stock are as set forth below in this Article IV(C).

1. Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of any assets of this corporation legally available therefor, any dividends as may be declared from time to time by the Board of Directors.

2. Liquidation Rights. Upon the liquidation, dissolution or winding up of this corporation, the assets of this corporation shall be distributed as provided in Section 2 of Article IV(B) hereof.

3. Redemption. The Common Stock is not redeemable at the option of the holder.

4. Voting Rights. The holder of each share of Common Stock shall have the right to one vote for each such share, and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of this corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of this corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

**ARTICLE V**

Except as otherwise provided in this Amended and Restated Certificate of Incorporation, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of this corporation.

**ARTICLE VI**

The number of directors of this corporation shall be determined in the manner set forth in the Bylaws of this corporation.

**ARTICLE VII**

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

**ARTICLE VIII**

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of this corporation may provide. The books of this corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of this corporation.

**ARTICLE IX**

A director of this corporation shall not be personally liable to this 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 this corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law, or (iv) for any transaction from

which the director derived any improper personal benefit. If the General Corporation Law is amended after approval by the stockholders of this Article IX to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of this corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any amendment, repeal or modification of the foregoing provisions of this Article IX by the stockholders of this corporation shall not adversely affect any right or protection of a director of this corporation existing at the time of, or increase the liability of any director of this corporation with respect to any acts or omissions of such director occurring prior to, such amendment, repeal or modification.

**ARTICLE X**

This corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

**ARTICLE XI**

To the fullest extent permitted by applicable law, this corporation shall provide indemnification of (and advancement of expenses to) directors and officers of this corporation and is otherwise authorized to provide indemnification of (and advancement of expenses to) employees and agents of this corporation (and any other persons to which General Corporation Law permits this corporation to provide indemnification) through Bylaw provisions, agreements with such persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law, subject only to limits created by applicable General Corporation Law (statutory or non-statutory), with respect to actions for breach of duty to this corporation, its stockholders, and others.

Any amendment, repeal or modification of the foregoing provisions of this Article XI shall not adversely affect any right or protection of a director, officer, employee, agent or other person existing at the time of, or increase the liability of any such person with respect to any acts or omissions of such person occurring prior to, such amendment, repeal or modification.

**ARTICLE XII**

To the extent certain sections of the corporations code of any state set forth minimum requirements for this corporation' s retained earnings and/or assets that would otherwise be applicable to distributions made by this corporation in connection with the repurchase of shares of Common Stock issued to or held by employees, consultants, advisors, officers, directors or other service providers of this corporation or any of this corporation' s subsidiaries at a price not greater than the amount paid by such person for such shares upon termination of their employment or services pursuant to agreements providing for the right of said repurchase or upon exercise of a right of first refusal, where such agreements were authorized by this corporation' s Board of Directors, such distributions may be made without regard to any "preferential dividends arrears amount," "preferential rights amount," or similar concept.

## ARTICLE XIII

This corporation renounces any interest of expectancy of this corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "Excluded Opportunity" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, (i) any director of this corporation who is not an employee of this corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, if such holder is not an employee of this corporation or of any of its subsidiaries (collectively, "Covered Persons"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person' s capacity as a director of this corporation.

* * *

**THIRD**: The foregoing amendment and restatement was approved by the holders of the requisite number of shares of said corporation in accordance with Section 228 of the General Corporation Law.

**FOURTH**: That said Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this corporation' s Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

**IN WITNESS WHEREOF**, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 23rd day of July, 2014.

/s/ Rob Bearden

Rob Bearden, Chief Executive Officer

**Exhibit 3.2**

**AMENDED AND RESTATED**

**CERTIFICATE OF INCORPORATION**

**OF**

**HORTONWORKS, INC.**

Hortonworks, Inc., a corporation organized and existing under the laws of the State of Delaware (the "**Corporation**"), hereby certifies as follows:

1. The name of the Corporation is Hortonworks, Inc. The date of the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was April 15, 2011 (the "**Original Certificate**"). The name under which the Corporation filed the Original Certificate was H2 Source, Inc.

2. This Amended and Restated Certificate of Incorporation (the "**Certificate**") amends, restates and integrates the provisions of the Amended and Restated Certificate of Incorporation that was filed with the Secretary of State of the State of Delaware on March 24, 2014, as amended on July 23, 2014 (the "**Existing Certificate**"), and was duly adopted in accordance with the provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware (the "**DGCL**").

3. The text of the Existing Certificate is hereby amended and restated in its entirety to provide as herein set forth in full.

ARTICLE I

The name of the Corporation is Hortonworks, Inc.

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 its registered agent at that address is The Corporation Trust Company.

ARTICLE III

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

ARTICLE IV

CAPITAL STOCK

The total number of shares of capital stock which the Corporation shall have authority to issue is five hundred twenty-five million (525,000,000), of which (i) five hundred million (500,000,000) shares shall be a class designated as common stock, par value $0.0001 per share

(the "**Common Stock**"), and (ii) twenty-five million (25,000,000) shares shall be a class designated as undesignated preferred stock, par value $0.0001 per share (the "**Undesignated Preferred Stock**").

Except as otherwise provided in any certificate of designations of any series of Undesignated Preferred Stock, the number of authorized shares of the class of Common Stock or Undesignated Preferred Stock may from time to time be increased or decreased (but not below the number of shares of such class outstanding) by the affirmative vote of the holders of a majority in voting power of the outstanding shares of capital stock of the Corporation irrespective of the provisions of Section 242(b)(2) of the DGCL.

The powers, preferences and rights of, and the qualifications, limitations and restrictions upon, each class or series of stock shall be determined in accordance with, or as set forth below in, this Article IV.

A. COMMON STOCK

Subject to all the rights, powers and preferences of the Undesignated Preferred Stock and except as otherwise provided by law or in this Certificate (or in any certificate of designations of any series of Undesignated Preferred Stock):

(a) the holders of the Common Stock shall have the exclusive right to vote for the election of directors of the Corporation (the "**Directors**") and on all other matters requiring stockholder action, each outstanding share entitling the holder thereof to one vote on each matter properly submitted to the stockholders of the Corporation for their vote; provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Certificate (or on any amendment to a certificate of designations of any series of Undesignated Preferred Stock) that alters or changes the powers, preferences, rights or other terms of one or more outstanding series of Undesignated Preferred Stock if the holders of such affected series of Undesignated Preferred Stock are entitled to vote, either separately or together with the holders of one or more other such series, on such amendment pursuant to this Certificate (or pursuant to a certificate of designations of any series of Undesignated Preferred Stock) or pursuant to the DGCL;

(b) dividends may be declared and paid or set apart for payment upon the Common Stock out of any assets or funds of the Corporation legally available for the payment of dividends, but only when and as declared by the Board of Directors or any authorized committee thereof; and

(c) upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the net assets of the Corporation shall be distributed pro rata to the holders of the Common Stock.

B. UNDESIGNATED PREFERRED STOCK

The Board of Directors or any authorized committee thereof is expressly authorized, to the fullest extent permitted by law, to provide by resolution or resolutions for, out of the unissued shares of Undesignated Preferred Stock, the issuance of the shares of

Undesignated Preferred Stock in one or more series of such stock, and by filing a certificate of designations pursuant to applicable law of the State of Delaware, to establish or change from time to time the number of shares of each such series, and to fix the designations, powers, including voting powers, full or limited, or no voting powers, preferences and the relative, participating, optional or other special rights of the shares of each series and any qualifications, limitations and restrictions thereof.

## ARTICLE V

## STOCKHOLDER ACTION

1. No Action without Meeting. Any action required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders and may not be taken or effected by a written consent of stockholders in lieu thereof.

2. Special Meetings. Except as otherwise required by statute and subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock, special meetings of the stockholders of the Corporation may be called only by the Board of Directors, Chairman of the Board of Directors, or the Chief Executive Officer acting pursuant to a resolution approved by the affirmative vote of a majority of the Directors then in office, and special meetings of stockholders may not be called by any other person or persons. Only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders of the Corporation.

## ARTICLE VI

## DIRECTORS

1. General. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors except as otherwise provided herein or required by law.

2. Election of Directors. Election of Directors need not be by written ballot unless the By-laws of the Corporation (the "**By-laws**") shall so provide.

3. Number of Directors; Term of Office. The number of Directors of the Corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors. The Directors, other than those who may be elected by the holders of any series of Undesignated Preferred Stock, shall be classified, with respect to the term for which they severally hold office, into three classes. The initial Class I Directors of the Corporation shall be Robert Bearden and Kevin Klausmeyer; the initial Class II Directors of the Corporation shall be Martin Fink, Jay Rossiter and Michelangelo Volpi; and the initial Class III Directors of the Corporation shall be Peter Fenton and Paul Cormier. The initial Class I Directors shall serve for a term expiring at the annual meeting of stockholders to be held in 2015, the initial Class II Directors shall serve for a term expiring at the annual meeting of stockholders to be held in 2016, and the initial Class III Directors shall serve for a term expiring at the annual meeting of stockholders to be held in 2017. At each annual meeting of stockholders, Directors elected to

succeed those Directors whose terms expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election. Notwithstanding the foregoing, the Directors elected to each class shall hold office until their successors are duly elected and qualified or until their earlier resignation, death or removal.

Notwithstanding the foregoing, whenever, pursuant to the provisions of Article IV of this Certificate, the holders of any one or more series of Undesignated Preferred Stock shall have the right, voting separately as a series or together with holders of other such series, to elect Directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Certificate and any certificate of designations applicable to such series.

4. Vacancies. Subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock to elect Directors and to fill vacancies in the Board of Directors relating thereto, any and all vacancies in the Board of Directors, however occurring, including, without limitation, by reason of an increase in the size of the Board of Directors, or the death, resignation, disqualification or removal of a Director, shall be filled solely and exclusively by the affirmative vote of a majority of the remaining Directors then in office, even if less than a quorum of the Board of Directors, and not by the stockholders. Any Director appointed in accordance with the preceding sentence shall hold office for the remainder of the full term of the class of Directors in which the new directorship was created or the vacancy occurred and until such Director' s successor shall have been duly elected and qualified or until his or her earlier resignation, death or removal. Subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock to elect Directors, when the number of Directors is increased or decreased, the Board of Directors shall, subject to Article VI.3 hereof, determine the class or classes to which the increased or decreased number of Directors shall be apportioned; provided, however, that no decrease in the number of Directors shall shorten the term of any incumbent Director. In the event of a vacancy in the Board of Directors, the remaining Directors, except as otherwise provided by law, shall exercise the powers of the full Board of Directors until the vacancy is filled.

5. Removal. Subject to the rights, if any, of any series of Undesignated Preferred Stock to elect Directors and to remove any Director whom the holders of any such series have the right to elect, any Director (including persons elected by Directors to fill vacancies in the Board of Directors) may be removed from office (i) only for cause and (ii) only by the affirmative vote of the holders of 75% or more of the outstanding shares of capital stock then entitled to vote at an election of Directors. At least forty-five (45) days prior to any annual or special meeting of stockholders at which it is proposed that any Director be removed from office, written notice of such proposed removal and the alleged grounds thereof shall be sent to the Director whose removal will be considered at the meeting.

6. No Cumulative Voting. No stockholder will be permitted to cumulate votes at any election of director.

ARTICLE VII

LIMITATION OF LIABILITY

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 (a) for any breach of the Director' s duty of loyalty to the Corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL or (d) for any transaction from which the Director derived an improper personal benefit. If the DGCL is amended after the effective date of this Certificate to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Any amendment, repeal or modification of this Article VII by either of (i) the stockholders of the Corporation or (ii) an amendment to the DGCL, shall not adversely affect any right or protection existing at the time of such amendment, repeal or modification with respect to any acts or omissions occurring before such amendment, repeal or modification of a person serving as a Director at the time of such amendment, repeal or modification.

ARTICLE VIII

EXCLUSIVE JURISDICTION OF DELAWARE COURTS

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 (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation' s stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or the Corporation' s Certificate of Incorporation or By-laws, or (iv) any action asserting a claim against the Corporation governed by the internal affairs doctrine. 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 VIII.

ARTICLE IX

AMENDMENT OF BY-LAWS

1. Amendment by Directors. Except as otherwise provided by law, the By-laws of the Corporation may be amended or repealed by the Board of Directors by the affirmative vote of a majority of the Directors then in office.

2. Amendment by Stockholders. The By-laws of the Corporation may be amended or repealed at any annual meeting of stockholders, or special meeting of stockholders called for

such purpose, by the affirmative vote of at least 75% of the outstanding shares of capital stock entitled to vote on such amendment or repeal, voting together as a single class; provided, however, that if the Board of Directors recommends that stockholders approve such amendment or repeal at such meeting of stockholders, such amendment or repeal shall only require the affirmative vote of the majority of the outstanding shares of capital stock entitled to vote on such amendment or repeal, voting together as a single class.

## ARTICLE X

## AMENDMENT OF CERTIFICATE OF INCORPORATION

The Corporation reserves the right to amend or repeal this Certificate in the manner now or hereafter prescribed by statute and this Certificate, and all rights conferred upon stockholders herein are granted subject to this reservation. Whenever any vote of the holders of capital stock of the Corporation is required to amend or repeal any provision of this Certificate, and in addition to any other vote of holders of capital stock that is required by this Certificate or by law, such amendment or repeal shall require the affirmative vote of the majority of the outstanding shares of capital stock entitled to vote on such amendment or repeal, and the affirmative vote of the majority of the outstanding shares of each class entitled to vote thereon as a class, at a duly constituted meeting of stockholders called expressly for such purpose; provided, however, that the affirmative vote of not less than 75% of the outstanding shares of capital stock entitled to vote on such amendment or repeal, and the affirmative vote of not less than 75% of the outstanding shares of each class entitled to vote thereon as a class, shall be required to amend or repeal any provision of Article IV.B, Article V, Article VI, Article VII, Article VIII, Article IX or Article X of this Certificate.

THIS AMENDED AND RESTATED CERTIFICATE OF INCORPORATION is executed as of this day of , 2014.

Hortonworks, Inc.

By: _____
Robert Bearden
Chief Executive Officer

**Exhibit 3.3**

# BYLAWS OF

# HORTONWORKS, INC.

# (A DELAWARE CORPORATION)

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**BYLAWS**
**OF**
**HORTONWORKS, INC.**

## ARTICLE I
## OFFICES

1.1 **Registered Office.** The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

1.2 **Offices.** The corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

## ARTICLE II
## MEETINGS OF STOCKHOLDERS

2.1 **Location.** All meetings of the stockholders for the election of directors shall be held in the City of Menlo Park, State of California, at such place as may be fixed from time to time by the Board of Directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting; provided, however, that the Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211 of the Delaware General Corporations Law ("DGCL"). Meetings of stockholders for any other purpose may be held at such time and place, if any, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof, or a waiver by electronic transmission by the person entitled to notice.

2.2 **Timing.** Annual meetings of stockholders, commencing with the year 2011, shall be held at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting.

2.3 **Notice of Meeting.** Written notice of any stockholder meeting stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given to each stockholder entitled to vote at such meeting not fewer than ten (10) nor more than sixty (60) days before the date of the meeting.

2.4 **Stockholders' Records.** The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address (but not the electronic address or other electronic contact information) of each stockholder and the number of shares registered in the name of each

stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

2.5 **Special Meetings.** Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the chief executive officer and shall be called by the chief executive officer or secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of stockholders owning at least fifty percent (50%) in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

2.6 **Notice of Meeting.** Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not fewer than ten (10) nor more than sixty (60) days before the date of the meeting, to each stockholder entitled to vote at such meeting. The means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting shall also be provided in the notice.

2.7 **Business Transacted at Special Meeting.** Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

2.8 **Quorum; Meeting Adjournment; Presence by Remote Means.**

(a) *Quorum; Meeting Adjournment*. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(b) *Presence by Remote Means*. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication:

(1) participate in a meeting of stockholders; and

(2) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) 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 proxyholder, (ii) the corporation shall implement reasonable measures to provide such stockholders and proxyholders 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 (iii) if any stockholder or proxyholder 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.

2.9 **Voting Thresholds**. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required, in which case such express provision shall govern and control the decision of such question.

2.10 **Number of Votes Per Share**. Unless otherwise provided in the certificate of incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote by such stockholder or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

2.11 **Action by Written Consent of Stockholders; Electronic Consent; Notice of Action**.

(a) *Action by Written Consent of Stockholders*. Unless otherwise provided by the certificate of incorporation, any action required or permitted 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 in writing setting forth the action so taken, is signed in a manner permitted by law by the holders of outstanding stock having not less than the number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Written stockholder consents shall bear the date of signature of each stockholder who signs the consent in the manner permitted by law and shall be delivered to the corporation as provided in subsection (b) below. No written consent shall be effective to take the action set forth therein unless, within sixty (60) days of the earliest dated consent delivered to the corporation in the manner provided above, written consents signed by a sufficient number of stockholders to take the action set forth therein are delivered to the corporation in the manner provided above.

(b) *Electronic Consent*. A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, or a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (1) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (2) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation' s registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the Board of Directors of the corporation.

(c) *Notice of Action*. Prompt notice of any action taken pursuant to this Section 2.11 shall be provided to the stockholders in accordance with Section 228(e) of the DGCL.

## ARTICLE III
## DIRECTORS

3.1 **Authorized Directors**. The number of directors that shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors or by the stockholders at the annual meeting of the stockholders, except as provided in Section 3.2 of this Article, and each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

3.2 **Vacancies**. Unless otherwise provided in the corporation' s certificate of incorporation, as it may be amended, vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of

the whole Board of Directors (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent (10%) of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

3.3 **Board Authority**. The business of the corporation shall be managed by or under the direction of its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

3.4 **Location of Meetings**. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

3.5 **First Meeting**. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

3.6 **Regular Meetings**. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.7 **Special Meetings**. Special meetings of the Board of Directors may be called by the chief executive officer upon notice to each director; special meetings shall be called by the chief executive officer or secretary in like manner and on like notice on the written request of two (2) directors unless the Board of Directors consists of only one director, in which case special meetings shall be called by the chief executive officer or secretary in like manner and on like notice on the written request of the sole director. Notice of any special meeting shall be given to each director at his business or residence in writing, or by telegram, facsimile transmission, telephone communication or electronic transmission (provided, with respect to electronic transmission, that the director has consented to receive the form of transmission at the address to which it is directed). If mailed, such notice shall be deemed adequately delivered when deposited in the United States mails so addressed, with postage thereon prepaid, at least five (5) days before such meeting. If by telegram, such notice shall be deemed adequately delivered when the telegram is delivered to the telegraph company at least twenty-four (24) hours before such meeting. If by facsimile transmission or other electronic transmission, such notice shall be transmitted at least twenty-four (24) hours before such meeting. If by telephone, the notice shall be given at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to these

Bylaws as provided under Section 8.1 of Article VIII hereof. A meeting may be held at any time without notice if all the directors are present (except as otherwise provided by law) or if those not present waive notice of the meeting in writing, either before or after such meeting.

3.8 **Quorum**. At all meetings of the Board of Directors a majority of the directors then in office shall constitute a quorum for the transaction of business and any act of a majority of the directors present at any meeting at which there is a quorum shall be an act of the Board of Directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum is not present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

3.9 **Action Without a Meeting**. Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing, writings, electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee.

3.10 **Telephonic Meetings**. Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or any committee, by means of conference telephone or other means of communication by which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting.

3.11 **Committees**. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it, but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval or (ii) adopting, amending or repealing any provision of these bylaws.

3.12 **Minutes of Meetings**. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

3.13 **Compensation of Directors**. Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

3.14 **Removal of Directors**. Unless otherwise provided by the certificate of incorporation or these bylaws, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

## ARTICLE IV
## NOTICES

4.1 **Notice**. Unless otherwise provided in these bylaws, whenever, under the provisions of the statutes or of the certificate of incorporation or of these bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

4.2 **Waiver of Notice**. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

4.3 **Electronic Notice**.

(a) *Electronic Transmission*. Without limiting the manner by which notice otherwise may be given effectively to stockholders and directors, any notice to stockholders or directors given by the corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder or director to whom the notice is given. Any such consent shall be revocable by the stockholder or director by written notice to the corporation. Any such consent shall be deemed revoked if (1) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent and (2) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(b) *Effective Date of Notice*. Notice given pursuant to subsection (a) of this section shall be deemed given: (1) if by facsimile telecommunication, when directed to a

number at which the stockholder or director has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder or director has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the stockholder or director of such specific posting, upon the later of (i) such posting and (ii) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder or director. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(c) *Form of Electronic Transmission*. For purposes of these bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

## ARTICLE V
## OFFICERS

5.1 **Required and Permitted Officers**. The officers of the corporation shall be chosen by the Board of Directors and shall be a president, treasurer and a secretary. The Board of Directors may elect from among its members a Chairman of the Board and a Vice-Chairman of the Board. The Board of Directors may also choose a chief executive officer, one or more vice-presidents, assistant secretaries and assistant treasurers, and a chief operating officer. Any number of offices may be held by the same person, unless the certificate of incorporation or these bylaws otherwise provide. Officers, including but not limited to the chief executive officer and the chief operating officer, who are elected by the Board of Directors may only be removed by action by the Board of Directors.

5.2 **Appointment of Required Officers**. The Board of Directors at its first meeting after each annual meeting of stockholders shall choose a president, a treasurer, and a secretary and may choose a chief executive officer and vice-presidents.

5.3 **Appointment of Permitted Officers**. The Board of Directors may appoint such other officers, including a chief operating officer, and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

5.4 **Officer Compensation**. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors.

5.5 **Term of Office; Vacancies**. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

## THE CHAIRMAN OF THE BOARD

5.6 **Chairman Presides**. The Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. he or she shall have and may exercise such powers as are, from time to time, assigned to him by the Board of Directors and as may be provided by law.

5.7 **Absence of Chairman**. In the absence of the Chairman of the Board, the Vice-Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. He or she shall have and may exercise such powers as are, from time to time, assigned to him by the Board of Directors and as may be provided by law.

## THE CHIEF EXECUTIVE OFFICER, PRESIDENT AND VICE-PRESIDENTS

5.8 **Powers of Chief Executive Officer**. The chief executive officer of the corporation; in the absence of the Chairman and Vice-Chairman of the Board. shall preside at all meetings of the stockholders and the Board of Directors; he or she shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

5.9 **Chief Executive Officer' s Signature Authority**. The chief executive officer shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

5.10 **Absence of Chief Executive Officer**. In the absence of the chief executive officer or in the event of his inability or refusal to act, the president (and in the absence of a president, any vice-president, or in the event there be more than one vice-president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the chief executive officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the chief executive officer. The chief executive officer, president and vice-presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

## THE SECRETARY AND ASSISTANT SECRETARY

5.11 **Duties of Secretary**. The secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or chief executive officer, under whose supervision he or she shall be. He or she shall have custody of the corporate seal of the corporation and he or she, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested

by his signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

5.12 **Duties of Assistant Secretary**. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

## THE TREASURER AND ASSISTANT TREASURERS

5.13 **Duties of Treasurer**. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

5.14 **Disbursements and Financial Reports**. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the chief executive officer and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

5.15 **Treasurer' s Bond**. If required by the Board of Directors, the treasurer shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

5.16 **Duties of Assistant Treasurer**. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of the treasurer' s inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

## CHIEF OPERATING OFFICER

5.17 **Duties of Chief Operating Officer**. The chief operating officer shall have the responsibilities and duties as determined by the Board of Directors.

## ARTICLE VI
## CERTIFICATE OF STOCK

6.1 **Stock Certificates**. Every holder of stock in the corporation shall be entitled to have a certificate, signed by or in the name of the corporation by, the Chairman or Vice-Chairman of the Board of Directors, or the chief executive officer, the president or a vice-president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation.

Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

6.2 **Facsimile Signatures**. Any or all of the signatures on the certificate may be facsimile. In the event that any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, the certificate may be issued by the corporation with the same effect as if such officer, transfer agent or registrar were still acting as such at the date of issue.

6.3 **Lost Certificates**. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing such issuance of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

6.4 **Transfer of Stock**. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

6.5 **Fixing a Record Date**. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

6.6 **Registered Stockholders**. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, to vote as such owner, to hold liable for calls and assessments a person registered on its books as the owner of shares and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

## ARTICLE VII
## GENERAL PROVISIONS

7.1 **Dividends**. Dividends upon the capital stock of the corporation, if any, subject to the provisions of the certificate of incorporation, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

7.2 **Reserve for Dividends**. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their sole discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purposes as the directors think conducive to the interests of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

7.3 **Checks**. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

7.4 **Fiscal Year**. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

7.5 **Corporate Seal**. The Board of Directors may adopt a corporate seal having inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

7.6 **Indemnification**. The corporation shall, to the fullest extent authorized under the laws of the State of Delaware, as those laws may be amended and supplemented from time to time, indemnify any director made, or threatened to be made, a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of being a director of the corporation or a predecessor corporation or a director or officer of another corporation, if such person served in such position at the request of the corporation; provided, however, that the corporation shall indemnify any such director or officer in connection with a proceeding initiated by such director or officer only if such proceeding was authorized by the Board of Directors of the corporation. The indemnification provided for in this Section 7.6 shall: (i) not be deemed exclusive of any other rights to which those indemnified may be entitled under these bylaws, agreement or vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, (ii) continue as to a person who has ceased to be a director, and (iii) inure to the benefit of the heirs, executors and administrators of a person who has ceased to be a director. The corporation' s obligation to provide indemnification under this Section 7.6 shall be offset to the extent of any other source of indemnification or any otherwise applicable insurance coverage under a policy maintained by the corporation or any other person.

Expenses incurred by a director of the corporation in defending a civil or criminal action, suit or proceeding by reason of the fact that he or she is or was a director of the corporation (or was serving at the corporation' s request as a director or officer of another corporation) shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as authorized by relevant sections of the DGCL. Notwithstanding the foregoing, the corporation shall not be required to advance such expenses to an agent who is a party to an action, suit or proceeding brought by the corporation and approved by a majority of the Board of Directors of the corporation that alleges willful misappropriation of corporate assets by such agent, disclosure of confidential information in violation of such agent' s fiduciary or contractual obligations to the corporation or any other willful and deliberate breach in bad faith of such agent' s duty to the corporation or its stockholders.

The foregoing provisions of this Section 7.6 shall be deemed to be a contract between the corporation and each director who serves in such capacity at any time while this bylaw is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

The Board of Directors in its sole discretion shall have power on behalf of the corporation to indemnify any person, other than a director, made a party to any action, suit or proceeding by reason of the fact that he or she, his testator or intestate, is or was an officer or employee of the corporation.

To assure indemnification under this Section 7.6 of all directors, officers and employees who are determined by the corporation or otherwise to be or to have been "fiduciaries" of any employee benefit plan of the corporation that may exist from time to time, Section 145 of the DGCL shall, for the purposes of this Section 7.6, be interpreted as follows: an "other enterprise" shall be deemed to include such an employee benefit plan, including without limitation, any plan of the corporation that is governed by the Act of Congress entitled "Employee Retirement Income Security Act of 1974," as amended from time to time; the corporation shall be deemed to have requested a person to serve the corporation for purposes of Section 145 of the DGCL, as administrator of an employee benefit plan where the performance by such person of his duties to the corporation also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan; excise taxes assessed on a person with respect to an employee benefit plan pursuant to such Act of Congress shall be deemed "fines."

## CERTIFICATE OF INCORPORATION GOVERNS

7.7 **Conflicts with Certificate of Incorporation**. In the event of any conflict between the provisions of the corporation' s certificate of incorporation and these bylaws, the provisions of the certificate of incorporation shall govern.

## ARTICLE VIII
## AMENDMENTS

8.1 These bylaws may be altered, amended or repealed, or new bylaws may be adopted by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the certificate of incorporation at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal bylaws is conferred upon the Board of Directors by the certificate of incorporation, it shall not divest or limit the power of the stockholders to adopt, amend or repeal bylaws.

## ARTICLE IX
## LOANS TO OFFICERS

9.1 The corporation may lend money to, or guarantee any obligation of or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

## ARTICLE X
## RECORDS AND REPORTS

10.1 The application and requirements of Section 1501 of the California General Corporation Law are hereby expressly waived to the fullest extent permitted thereunder.

**Exhibit 3.4**

**AMENDED AND RESTATED**

**BY-LAWS**

**OF**

**HORTONWORKS, INC.**

(the "Corporation")

ARTICLE I

Stockholders

SECTION 1. Annual Meeting. The annual meeting of stockholders of the Corporation (any such meeting being referred to in these By-laws as an "Annual Meeting") shall be held at the hour, date and place within or without the United States which is fixed by the Board of Directors, which time, date and place may subsequently be changed at any time by vote of the Board of Directors. If no Annual Meeting has been held for a period of thirteen (13) months after the Corporation' s last Annual Meeting, a special meeting in lieu thereof may be held, and such special meeting shall have, for the purposes of these By-laws or otherwise, all the force and effect of an Annual Meeting. Any and all references hereafter in these By-laws to an Annual Meeting or Annual Meetings shall be deemed to also refer to any special meeting(s) in lieu thereof.

SECTION 2. Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of other business to be considered by the stockholders may be brought before an Annual Meeting (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this By-law, who is entitled to vote at the meeting, who is present (in person or by proxy) at the meeting and who complies with the notice procedures set forth in this By-law as to such nomination or business. For the avoidance of doubt, the foregoing clause (ii) shall be the exclusive means for a stockholder to bring nominations or business properly before an Annual Meeting (other than matters properly brought under Rule 14a-8 (or any successor rule) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), and such stockholder must comply with the notice and other procedures set forth in Article I, Section 2(a)(2) and (3) of this By-law to bring such nominations or business properly before an Annual Meeting. In addition to the other requirements set forth in this By-law, for any proposal of business to be considered at an Annual Meeting, it must be a proper subject for action by stockholders of the Corporation under Delaware law.

(2) For nominations or other business to be properly brought before an Annual Meeting by a stockholder pursuant to clause (ii) of Article I, Section 2(a)(1) of this By-law, the stockholder must (i) have given Timely Notice (as defined below) thereof in writing to

the Secretary of the Corporation, (ii) have provided any updates or supplements to such notice at the times and in the forms required by this By-law and (iii) together with the beneficial owner(s), if any, on whose behalf the nomination or business proposal is made, have acted in accordance with the representations set forth in the Solicitation Statement (as defined below) required by this By-law. To be timely, a stockholder' s written notice shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the one-year anniversary of the preceding year' s Annual Meeting; provided, however, that in the event the Annual Meeting is first convened more than thirty (30) days before or more than sixty (60) days after such anniversary date, or if no Annual Meeting were held in the preceding year, notice by the stockholder to be timely must be received by the Secretary of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to the scheduled date of such Annual Meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made (such notice within such time periods shall be referred to as "Timely Notice"). Notwithstanding anything to the contrary provided herein, for the first Annual Meeting following the initial public offering of common stock of the Corporation, a stockholder' s notice shall be timely if received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to the scheduled date of such Annual Meeting or the tenth (10th) day following the day on which public announcement of the date of such Annual Meeting is first made or sent by the Corporation. Such stockholder' s Timely Notice shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election or reelection as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person' s written consent to being named in the proxy statement as a nominee and to serving as a director if elected);

(B) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest in such business of each Proposing Person (as defined below);

(C)(i) the name and address of the stockholder giving the notice, as they appear on the Corporation' s books, and the names and addresses of the other Proposing Persons (if any) and (ii) as to each Proposing Person, the following information: (a) the class or series and number of all shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially or of record by such Proposing Person or any of its affiliates or associates (as such terms are defined in Rule 12b-2 promulgated under the Exchange Act), including any shares of any class or series of capital stock of the Corporation as to which such Proposing Person or any of its affiliates or associates has a right to acquire beneficial ownership at any time in the future; (b) all Synthetic Equity Interests (as defined below) in which such Proposing Person or any of its affiliates or associates, directly or indirectly, holds an interest including a description of the material terms of each such Synthetic Equity Interest, including without limitation, identification of the counterparty to each such Synthetic Equity Interest and

disclosure, for each such Synthetic Equity Interest, as to (x) whether or not such Synthetic Equity Interest conveys any voting rights, directly or indirectly, in such shares to such Proposing Person, (y) whether or not such Synthetic Equity Interest is required to be, or is capable of being, settled through delivery of such shares and (z) whether or not such Proposing Person and/or, to the extent known, the counterparty to such Synthetic Equity Interest has entered into other transactions that hedge or mitigate the economic effect of such Synthetic Equity Interest; (c) any proxy (other than a revocable proxy given in response to a public proxy solicitation made pursuant to, and in accordance with, the Exchange Act), agreement, arrangement, understanding or relationship pursuant to which such Proposing Person has or shares a right to, directly or indirectly, vote any shares of any class or series of capital stock of the Corporation; (d) any rights to dividends or other distributions on the shares of any class or series of capital stock of the Corporation, directly or indirectly, owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation; and (e) any performance-related fees (other than an asset based fee) that such Proposing Person, directly or indirectly, is entitled to based on any increase or decrease in the value of shares of any class or series of capital stock of the Corporation or any Synthetic Equity Interests (the disclosures to be made pursuant to the foregoing clauses (a) through (e) are referred to, collectively, as "Material Ownership Interests") and (iii) a description of the material terms of all agreements, arrangements or understandings (whether or not in writing) entered into by any Proposing Person or any of its affiliates or associates with any other person for the purpose of acquiring, holding, disposing or voting of any shares of any class or series of capital stock of the Corporation;

(D)(i) a description of all agreements, arrangements or understandings by and among any of the Proposing Persons, or by and among any Proposing Persons and any other person (including with any proposed nominee(s)), pertaining to the nomination(s) or other business proposed to be brought before the meeting of stockholders (which description shall identify the name of each other person who is party to such an agreement, arrangement or understanding), and (ii) identification of the names and addresses of other stockholders (including beneficial owners) known by any of the Proposing Persons to support such nominations or other business proposal(s), and to the extent known the class and number of all shares of the Corporation' s capital stock owned beneficially or of record by such other stockholder(s) or other beneficial owner(s); and

(E) a statement whether or not the stockholder giving the notice and/or the other Proposing Person(s), if any, will deliver a proxy statement and form of proxy to holders of, in the case of a business proposal, at least the percentage of voting power of all of the shares of capital stock of the Corporation required under applicable law to approve the proposal or, in the case of a nomination or nominations, at least the percentage of voting power of all of the shares of capital stock of the Corporation reasonably believed by such Proposing Person to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder (such statement, the "Solicitation Statement").

For purposes of this Article I of these By-laws, the term "Proposing Person" shall mean the following persons: (i) the stockholder of record providing the notice of nominations or business proposed to be brought before a stockholders' meeting, and (ii) the beneficial owner(s), if different, on whose behalf the nominations or business proposed to be brought before a

stockholders' meeting is made. For purposes of this Section 2 of Article I of these By-laws, the term "Synthetic Equity Interest" shall mean any transaction, agreement or arrangement (or series of transactions, agreements or arrangements), including, without limitation, any derivative, swap, hedge, repurchase or so-called "stock borrowing" agreement or arrangement, the purpose or effect of which is to, directly or indirectly: (a) give a person or entity economic benefit and/or risk similar to ownership of shares of any class or series of capital stock of the Corporation, in whole or in part, including due to the fact that such transaction, agreement or arrangement provides, directly or indirectly, the opportunity to profit or avoid a loss from any increase or decrease in the value of any shares of any class or series of capital stock of the Corporation, (b) mitigate loss to, reduce the economic risk of or manage the risk of share price changes for, any person or entity with respect to any shares of any class or series of capital stock of the Corporation, (c) otherwise provide in any manner the opportunity to profit or avoid a loss from any decrease in the value of any shares of any class or series of capital stock of the Corporation, or (d) increase or decrease the voting power of any person or entity with respect to any shares of any class or series of capital stock of the Corporation.

(3) A stockholder providing Timely Notice of nominations or business proposed to be brought before an Annual Meeting shall further update and supplement such notice, if necessary, so that the information (including, without limitation, the Material Ownership Interests information) provided or required to be provided in such notice pursuant to this By-law shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to such Annual Meeting, and such update and supplement shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the fifth (5th) business day after the record date for the Annual Meeting (in the case of the update and supplement required to be made as of the record date), and not later than the close of business on the eighth (8th) business day prior to the date of the Annual Meeting (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting).

(4) Notwithstanding anything in the second sentence of Article I, Section 2(a)(2) of this By-law to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least ten (10) days before the last day a stockholder may deliver a notice of nomination in accordance with the second sentence of Article I, Section 2(a)(2), a stockholder' s notice required by this By-law shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(b) General.

(1) Only such persons who are nominated in accordance with the provisions of this By-law shall be eligible for election and to serve as directors and only such business shall be conducted at an Annual Meeting as shall have been brought before the meeting in accordance

with the provisions of this By-law or in accordance with Rule 14a-8 under the Exchange Act. The Board of Directors or a designated committee thereof shall have the power to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the provisions of this By-law. If neither the Board of Directors nor such designated committee makes a determination as to whether any stockholder proposal or nomination was made in accordance with the provisions of this By-law, the presiding officer of the Annual Meeting shall have the power and duty to determine whether the stockholder proposal or nomination was made in accordance with the provisions of this By-law. If the Board of Directors or a designated committee thereof or the presiding officer, as applicable, determines that any stockholder proposal or nomination was not made in accordance with the provisions of this By-law, such proposal or nomination shall be disregarded and shall not be presented for action at the Annual Meeting.

(2) Except as otherwise required by law, nothing in this Article I, Section 2 shall obligate the Corporation or the Board of Directors to include in any proxy statement or other stockholder communication distributed on behalf of the Corporation or the Board of Directors information with respect to any nominee for director or any other matter of business submitted by a stockholder.

(3) Notwithstanding the foregoing provisions of this Article I, Section 2, if the nominating or proposing stockholder (or a qualified representative of the stockholder) does not appear at the Annual Meeting to present a nomination or any business, such nomination or business shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Article I, Section 2, to be considered a qualified representative of the proposing stockholder, a person must be authorized by a written instrument executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, to the presiding officer at the meeting of stockholders.

(4) For purposes of this By-law, “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 by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(5) Notwithstanding the foregoing provisions of this By-law, 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 By-law. Nothing in this By-law shall be deemed to affect any rights of (i) stockholders to have proposals included in the Corporation’ s proxy statement pursuant to Rule 14a-8 (or any successor rule), as applicable, under the Exchange Act and, to the extent required by such rule, have such proposals considered and voted on at an Annual Meeting or (ii) the holders of any series of Undesignated Preferred Stock to elect directors under specified circumstances.

SECTION 3. Special Meetings. Except as otherwise required by statute and subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock, special meetings of the stockholders of the Corporation may be called only by the Board of Directors, the Chairperson of the Board of Directors, or the Chief Executive Officer acting pursuant to a resolution approved by the affirmative vote of a majority of the Directors then in office. The Board of Directors may postpone or reschedule any previously scheduled special meeting of stockholders. Only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders of the Corporation. Nominations of persons for election to the Board of Directors of the Corporation and stockholder proposals of other business shall not be brought before a special meeting of stockholders to be considered by the stockholders unless such special meeting is held in lieu of an annual meeting of stockholders in accordance with Article I, Section 1 of these By-laws, in which case such special meeting in lieu thereof shall be deemed an Annual Meeting for purposes of these By-laws and the provisions of Article I, Section 2 of these By-laws shall govern such special meeting.

SECTION 4. Notice of Meetings; Adjournments.

(a) A notice of each Annual Meeting stating the hour, date and place, if any, of such Annual Meeting and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given not less than ten (10) days nor more than sixty (60) days before the Annual Meeting, to each stockholder entitled to vote thereat by delivering such notice to such stockholder or by mailing it, postage prepaid, addressed to such stockholder at the address of such stockholder as it appears on the Corporation' s stock transfer books. Without limiting the manner by which notice may otherwise be given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law ("DGCL").

(b) Notice of all special meetings of stockholders shall be given in the same manner as provided for Annual Meetings, except that the notice of all special meetings shall state the purpose or purposes for which the meeting has been called.

(c) Notice of an Annual Meeting or special meeting of stockholders need not be given to a stockholder if a waiver of notice is executed, or waiver of notice by electronic transmission is provided, before or after such meeting by such stockholder or if such stockholder attends such meeting, unless such attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened.

(d) The Board of Directors may postpone and reschedule any previously scheduled Annual Meeting or special meeting of stockholders and any record date with respect thereto, regardless of whether any notice or public disclosure with respect to any such meeting has been sent or made pursuant to Section 2 of this Article I of these By-laws or otherwise. In no event shall the public announcement of an adjournment, postponement or rescheduling of any previously scheduled meeting of stockholders commence a new time period for the giving of a stockholder' s notice under this Article I of these By-laws.

(e) When any meeting is convened, the presiding officer may adjourn the meeting if (i) no quorum is present for the transaction of business, (ii) the Board of Directors determines that adjournment is necessary or appropriate to enable the stockholders to consider fully information which the Board of Directors determines has not been made sufficiently or timely available to stockholders, or (iii) the Board of Directors determines that adjournment is otherwise in the best interests of the Corporation. When any Annual Meeting or special meeting of stockholders is adjourned to another hour, date or place, notice need not be given of the adjourned meeting other than an announcement at the meeting at which the adjournment is taken of the hour, date and place, if any, to which the meeting is adjourned and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting; provided, however, that if the adjournment is for more than thirty (30) days from the meeting date, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting shall be given to each stockholder of record entitled to vote thereat and each stockholder who, by law or under the Certificate of Incorporation of the Corporation (as the same may hereafter be amended and/or restated, the "Certificate") or these By-laws, is entitled to such notice.

SECTION 5. Quorum. A majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders. If less than a quorum is present at a meeting, the holders of voting stock representing a majority of the voting power present at the meeting or the presiding officer may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice, except as provided in Section 4 of this Article I. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly constituted meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

SECTION 6. Voting and Proxies. Stockholders shall have one vote for each share of stock entitled to vote owned by them of record according to the stock ledger of the Corporation as of the record date, unless otherwise provided by law or by the Certificate. Stockholders may vote either (i) in person, (ii) by written proxy or (iii) by a transmission permitted by Section 212(c) of the DGCL. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission permitted by Section 212(c) of the DGCL may be substituted for or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. Proxies shall be filed in accordance with the procedures established for the meeting of stockholders. Except as otherwise limited therein or as otherwise provided by law, proxies authorizing a person to vote at a specific meeting shall entitle the persons authorized thereby to vote at any adjournment of such meeting, but they shall not be valid after final adjournment of such meeting. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by or on behalf of any one of them unless at or prior to the exercise of the proxy the Corporation receives a specific written notice to the contrary from any one of them.

SECTION 7. Action at Meeting. When a quorum is present at any meeting of stockholders, any matter before any such meeting (other than an election of a director or directors) shall be decided by a majority of the votes properly cast for and against such matter, except where a larger vote is required by law, by the Certificate or by these By-laws. Any election of directors by stockholders shall be determined by a plurality of the votes properly cast on the election of directors.

SECTION 8. Stockholder Lists. The Secretary or an Assistant Secretary (or the Corporation' s transfer agent or other person authorized by these By-laws or by law) shall prepare and make, at least ten (10) days before every Annual Meeting or special meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for a period of at least ten (10) days prior to the meeting in the manner provided by law. The list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law.

SECTION 9. Presiding Officer. The Board of Directors shall designate a representative to preside over all Annual Meetings or special meetings of stockholders, provided that if the Board of Directors does not so designate such a presiding officer, then the Chairperson of the Board, if one is elected, shall preside over such meetings. If the Board of Directors does not so designate such a presiding officer and there is no Chairperson of the Board or the Chairperson of the Board is unable to so preside or is absent, then the Chief Executive Officer, if one is elected, shall preside over such meetings, provided further that if there is no Chief Executive Officer or the Chief Executive Officer is unable to so preside or is absent, then the President shall preside over such meetings. The presiding officer at any Annual Meeting or special meeting of stockholders shall have the power, among other things, to adjourn such meeting at any time and from time to time, subject to Sections 4 and 5 of this Article I. The order of business and all other matters of procedure at any meeting of the stockholders shall be determined by the presiding officer.

SECTION 10. Inspectors of Elections. The Corporation 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 alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer shall appoint one or more inspectors to act at the meeting. Any inspector may, but need not, be an officer, employee or agent of the Corporation. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall perform such duties as are required by the DGCL, including the counting of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors. The presiding officer may review all determinations made by the inspectors, and in so doing the

presiding officer shall be entitled to exercise his or her sole judgment and discretion and he or she shall not be bound by any determinations made by the inspectors. All determinations by the inspectors and, if applicable, the presiding officer, shall be subject to further review by any court of competent jurisdiction.

## ARTICLE II

## Directors

SECTION 1. Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors except as otherwise provided by the Certificate or required by law.

SECTION 2. Number and Terms. The number of directors of the Corporation shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors. The directors shall hold office in the manner provided in the Certificate.

SECTION 3. Qualification. No director need be a stockholder of the Corporation.

SECTION 4. Vacancies. Vacancies in the Board of Directors shall be filled in the manner provided in the Certificate.

SECTION 5. Removal. Directors may be removed from office only in the manner provided in the Certificate.

SECTION 6. Resignation. A director may resign at any time by giving written notice to the Chairperson of the Board, if one is elected, the Chief Executive Officer, the President or the Secretary. A resignation shall be effective upon receipt, unless the resignation otherwise provides.

SECTION 7. Regular Meetings. The regular annual meeting of the Board of Directors shall be held, without notice other than this Section 7, on the same date and at the same place as the Annual Meeting following the close of such meeting of stockholders. Other regular meetings of the Board of Directors may be held at such hour, date and place as the Board of Directors may by resolution from time to time determine and publicize by means of reasonable notice given to any director who is not present at the meeting at which such resolution is adopted.

SECTION 8. Special Meetings. Special meetings of the Board of Directors may be called, orally or in writing, by or at the request of a majority of the directors, the Chairperson of the Board, if one is elected, or the Chief Executive Officer or the President. The person calling any such special meeting of the Board of Directors may fix the hour, date and place thereof.

SECTION 9. Notice of Meetings. Notice of the hour, date and place of all special meetings of the Board of Directors shall be given to each director by the Secretary or an Assistant Secretary, or in case of the death, absence, incapacity or refusal of such persons, by the Chairperson of the Board, if one is elected, or the the Chief Executive Officer or the President or such other officer designated by the Chairperson of the Board, if one is elected, or the Chief Executive Officer or President. Notice of any special meeting of the Board of Directors shall be given to each director in person, by telephone, or by facsimile, electronic mail or other form of electronic communication, sent to his or her business or home address, at least twenty-four (24) hours in advance of the meeting, or by written notice mailed to his or her business or home address, at least forty-eight (48) hours in advance of the meeting. Such notice shall be deemed to be delivered when hand-delivered to such address, read to such director by telephone, deposited in the mail so addressed, with postage thereon prepaid if mailed, dispatched or transmitted if sent by facsimile transmission or by electronic mail or other form of electronic communications. A written waiver of notice signed before or after a meeting by a director and filed with the records of the meeting shall be deemed to be equivalent to notice of the meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because such meeting is not lawfully called or convened. Except as otherwise required by law, by the Certificate or by these By-laws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

SECTION 10. Quorum. At any meeting of the Board of Directors, a majority of the total number of directors shall constitute a quorum for the transaction of business, but if less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice. Any business which might have been transacted at the meeting as originally noticed may be transacted at such adjourned meeting at which a quorum is present. For purposes of this section, the total number of directors includes any unfilled vacancies on the Board of Directors.

SECTION 11. Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of the directors present shall constitute action by the Board of Directors, unless otherwise required by law, by the Certificate or by these By-laws.

SECTION 12. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the records of the meetings of the Board of Directors. 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. Such consent shall be treated as a resolution of the Board of Directors for all purposes.

SECTION 13. Manner of Participation. Directors may participate in meetings of the Board of Directors by means of conference telephone or other communications equipment by

means of which all directors participating in the meeting can hear each other, and participation in a meeting in accordance herewith shall constitute presence in person at such meeting for purposes of these By-laws.

SECTION 14. Presiding Director. The Board of Directors shall designate a representative to preside over all meetings of the Board of Directors, provided that if the Board of Directors does not so designate such a presiding director or such designated presiding director is unable to so preside or is absent, then the Chairperson of the Board, if one is elected, shall preside over all meetings of the Board of Directors. If both the designated presiding director, if one is so designated, and the Chairperson of the Board, if one is elected, are unable to preside or are absent, the Board of Directors shall designate an alternate representative to preside over a meeting of the Board of Directors.

SECTION 15. Committees. The Board of Directors, by vote of a majority of the directors then in office, may elect one or more committees, including, without limitation, a Compensation Committee, a Nominating & Corporate Governance Committee and an Audit Committee, and may delegate thereto some or all of its powers except those which by law, by the Certificate or by these By-laws may not be delegated. Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but unless otherwise provided by the Board of Directors or in such rules, its business shall be conducted so far as possible in the same manner as is provided by these By-laws for the Board of Directors. All members of such committees shall hold such offices at the pleasure of the Board of Directors. The Board of Directors may abolish any such committee at any time. Any committee to which the Board of Directors delegates any of its powers or duties shall keep records of its meetings and shall report its action to the Board of Directors.

SECTION 16. Compensation of Directors. Directors shall receive such compensation for their services as shall be determined by a majority of the Board of Directors, or a designated committee thereof, provided that directors who are serving the Corporation as employees and who receive compensation for their services as such, shall not receive any salary or other compensation for their services as directors of the Corporation.

## ARTICLE III

## Officers

SECTION 1. Enumeration. The officers of the Corporation shall consist of a President, a Treasurer, a Secretary and such other officers, including, without limitation, a Chairperson of the Board of Directors, a Chief Executive Officer and one or more Vice Presidents (including Executive Vice Presidents or Senior Vice Presidents), Assistant Vice Presidents, Assistant Treasurers and Assistant Secretaries, as the Board of Directors may determine.

SECTION 2. Election. At the regular annual meeting of the Board of Directors following the Annual Meeting, the Board of Directors shall elect the Chief Executive Officer, the President, the Treasurer and the Secretary. Other officers may be elected by the Board of Directors at such regular annual meeting of the Board of Directors or at any other regular or special meeting.

SECTION 3. Qualification. No officer need be a stockholder or a director. Any person may occupy more than one office of the Corporation at any time.

SECTION 4. Tenure. Except as otherwise provided by the Certificate or by these By-laws, each of the officers of the Corporation shall hold office until the regular annual meeting of the Board of Directors following the next Annual Meeting and until his or her successor is elected and qualified or until his or her earlier resignation or removal.

SECTION 5. Resignation. Any officer may resign by delivering his or her written resignation to the Corporation addressed to the Chief Executive Officer, the President or the Secretary, and such resignation shall be effective upon receipt, unless the resignation otherwise provides.

SECTION 6. Removal. Except as otherwise provided by law, the Board of Directors may remove any officer with or without cause by the affirmative vote of a majority of the directors then in office.

SECTION 7. Absence or Disability. In the event of the absence or disability of any officer, the Board of Directors may designate another officer to act temporarily in place of such absent or disabled officer.

SECTION 8. Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

SECTION 9. President. The President shall, subject to the direction of the Board of Directors, have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 10. Chairperson of the Board. The Chairperson of the Board, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 11. Chief Executive Officer. The Chief Executive Officer, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

SECTION 12. Vice Presidents and Assistant Vice Presidents. Any Vice President (including any Executive Vice President or Senior Vice President) and any Assistant Vice President shall have such powers and shall perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 13. Treasurer and Assistant Treasurers. The Treasurer shall, subject to the direction of the Board of Directors and except as the Board of Directors or the Chief Executive Officer may otherwise provide, have general charge of the financial affairs of the Corporation and shall cause to be kept accurate books of account. The Treasurer shall have custody of all funds, securities, and valuable documents of the Corporation. He or she shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer. Any Assistant Treasurer shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 14. Secretary and Assistant Secretaries. The Secretary shall record all the proceedings of the meetings of the stockholders and the Board of Directors (including committees of the Board of Directors) in books kept for that purpose. In his or her absence from any such meeting, a temporary secretary chosen at the meeting shall record the proceedings thereof. The Secretary shall have charge of the stock ledger (which may, however, be kept by any transfer or other agent of the Corporation). The Secretary shall have custody of the seal of the Corporation, and the Secretary, or an Assistant Secretary shall have authority to affix it to any instrument requiring it, and, when so affixed, the seal may be attested by his or her signature or that of an Assistant Secretary. The Secretary shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer. In the absence of the Secretary, any Assistant Secretary may perform his or her duties and responsibilities. Any Assistant Secretary shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

SECTION 15. Other Powers and Duties. Subject to these By-laws and to such limitations as the Board of Directors may from time to time prescribe, the officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the Board of Directors or the Chief Executive Officer.

## ARTICLE IV

## Capital Stock

SECTION 1. Certificates of Stock. Each stockholder shall be entitled to a certificate of the capital stock of the Corporation in such form as may from time to time be prescribed by the Board of Directors. Such certificate shall be signed by the Chairperson of the Board, the Chief Executive Officer, the President or a Vice President and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary. The Corporation seal and the signatures by the Corporation' s officers, the transfer agent or the registrar may be facsimiles. In case any

officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the time of its issue. Every certificate for shares of stock which are subject to any restriction on transfer and every certificate issued when the Corporation is authorized to issue more than one class or series of stock shall contain such legend with respect thereto as is required by law. Notwithstanding anything to the contrary provided in these Bylaws, the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares (except that the foregoing shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation), and by the approval and adoption of these Bylaws the Board of Directors has determined that all classes or series of the Corporation' s stock may be uncertificated, whether upon original issuance, re-issuance, or subsequent transfer.

SECTION 2. Transfers. Subject to any restrictions on transfer and unless otherwise provided by the Board of Directors, shares of stock that are represented by a certificate may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate theretofore properly endorsed or accompanied by a written assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require. Shares of stock that are not represented by a certificate may be transferred on the books of the Corporation by submitting to the Corporation or its transfer agent such evidence of transfer and following such other procedures as the Corporation or its transfer agent may require.

SECTION 3. Record Holders. Except as may otherwise be required by law, by the Certificate or by these By-laws, 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 thereto, 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 By-laws.

SECTION 4. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date: (a) in the case of determination of stockholders entitled to vote at any meeting of stockholders, shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting and (b) in the case of any other action, shall not be more than sixty (60) days prior to such other action. If no record date is fixed: (i) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the

day next preceding the day on which the meeting is held; and (ii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

SECTION 5. Replacement of Certificates. In case of the alleged loss, destruction or mutilation of a certificate of stock of the Corporation, a duplicate certificate may be issued in place thereof, upon such terms as the Board of Directors may prescribe.

## ARTICLE V

## Indemnification

SECTION 1. Definitions. For purposes of this Article:

(a) "Corporate Status" describes the status of a person who is serving or has served (i) as a Director of the Corporation, (ii) as an Officer of the Corporation, (iii) as a Non-Officer Employee of the Corporation, or (iv) as a director, partner, trustee, officer, employee or agent of any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, foundation, association, organization or other legal entity which such person is or was serving at the request of the Corporation. For purposes of this Section 1(a), a Director, Officer or Non-Officer Employee of the Corporation who is serving or has served as a director, partner, trustee, officer, employee or agent of a Subsidiary shall be deemed to be serving at the request of the Corporation. Notwithstanding the foregoing, "Corporate Status" shall not include the status of a person who is serving or has served as a director, officer, employee or agent of a constituent corporation absorbed in a merger or consolidation transaction with the Corporation with respect to such person' s activities prior to said transaction, unless specifically authorized by the Board of Directors or the stockholders of the Corporation;

(b) "Director" means any person who serves or has served the Corporation as a director on the Board of Directors of the Corporation;

(c) "Disinterested Director" means, with respect to each Proceeding in respect of which indemnification is sought hereunder, a Director of the Corporation who is not and was not a party to such Proceeding;

(d) "Expenses" means all attorneys' fees, retainers, court costs, transcript costs, fees of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), travel expenses, duplicating costs, printing and binding costs, costs of preparation of demonstrative evidence and other courtroom presentation aids and devices, costs incurred in connection with document review, organization, imaging and computerization, telephone charges, postage, delivery service fees, and all other disbursements, costs or expenses of the type customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or otherwise participating in, a Proceeding;

(e) “Liabilities” means judgments, damages, liabilities, losses, penalties, excise taxes, fines and amounts paid in settlement;

(f) “Non-Officer Employee” means any person who serves or has served as an employee or agent of the Corporation, but who is not or was not a Director or Officer;

(g) “Officer” means any person who serves or has served the Corporation as an officer of the Corporation appointed by the Board of Directors of the Corporation;

(h) “Proceeding” means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, inquiry, investigation, administrative hearing or other proceeding, whether civil, criminal, administrative, arbitrative or investigative; and

(i) “Subsidiary” shall mean any corporation, partnership, limited liability company, joint venture, trust or other entity of which the Corporation owns (either directly or through or together with another Subsidiary of the Corporation) either (i) a general partner, managing member or other similar interest or (ii) (A) fifty percent (50%) or more of the voting power of the voting capital equity interests of such corporation, partnership, limited liability company, joint venture or other entity, or (B) fifty percent (50%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other entity.

SECTION 2. Indemnification of Directors and Officers.

(a) Subject to the operation of Section 4 of this Article V of these By-laws, each Director and 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), and to the extent authorized in this Section 2.

(1) Actions, Suits and Proceedings Other than By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses and Liabilities that are incurred or paid by such Director or Officer or on such Director’ s or Officer’ s behalf in connection with any Proceeding or any claim, issue or matter therein (other than an action by or in the right of the Corporation), which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director’ s or Officer’ s Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(2) Actions, Suits and Proceedings By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses that are incurred by such Director or Officer or on such Director’ s or Officer’ s behalf in connection with any Proceeding or any claim, issue or matter therein by or in the right

of the Corporation, which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director' s or Officer' s Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation; provided, however, that no indemnification shall be made under this Section 2(a)(2) in respect of any claim, issue or matter as to which such Director or Officer shall have been finally adjudged by a court of competent jurisdiction to be liable to the Corporation, unless, and only to the extent that, the Court of Chancery or another court in which such Proceeding was brought shall determine upon application that, despite adjudication of liability, but in view of all the circumstances of the case, such Director or Officer is fairly and reasonably entitled to indemnification for such Expenses that such court deems proper.

(3) Survival of Rights. The rights of indemnification provided by this Section 2 shall continue as to a Director or Officer after he or she has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors, administrators and personal representatives.

(4) Actions by Directors or Officers. Notwithstanding the foregoing, the Corporation shall indemnify any Director or Officer seeking indemnification in connection with a Proceeding initiated by such Director or Officer only if such Proceeding (including any parts of such Proceeding not initiated by such Director or Officer) was authorized in advance by the Board of Directors of the Corporation, unless such Proceeding was brought to enforce such Officer' s or Director' s rights to indemnification or, in the case of Directors, advancement of Expenses under these By-laws in accordance with the provisions set forth herein.

SECTION 3. Indemnification of Non-Officer Employees. Subject to the operation of Section 4 of this Article V of these By-laws, each Non-Officer Employee may, in the discretion of the Board of Directors of the Corporation, be indemnified by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against any or all Expenses and Liabilities that are incurred by such Non-Officer Employee or on such Non-Officer Employee' s behalf in connection with any threatened, pending or completed Proceeding, or any claim, issue or matter therein, which such Non-Officer Employee is, or is threatened to be made, a party to or participant in by reason of such Non-Officer Employee' s Corporate Status, if such Non-Officer Employee acted in good faith and in a manner such Non-Officer Employee reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The rights of indemnification provided by this Section 3 shall exist as to a Non-Officer Employee after he or she has ceased to be a Non-Officer Employee and shall inure to the benefit of his or her heirs, personal representatives, executors and administrators. Notwithstanding the foregoing, the Corporation may indemnify any Non-Officer Employee seeking indemnification in connection with a Proceeding initiated by such Non-Officer Employee only if such Proceeding was authorized in advance by the Board of Directors of the Corporation.

SECTION 4. Determination. Unless ordered by a court, no indemnification shall be provided pursuant to this Article V to a Director, to an Officer or to a Non-Officer Employee unless a determination shall have been made that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal Proceeding, such person had no reasonable cause to believe his or her conduct was unlawful. Such determination shall be made by (a) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors, (b) a committee comprised of Disinterested Directors, such committee having been designated by a majority vote of the Disinterested Directors (even though less than a quorum), (c) if there are no such Disinterested Directors, or if a majority of Disinterested Directors so directs, by independent legal counsel in a written opinion, or (d) by the stockholders of the Corporation.

SECTION 5. Advancement of Expenses to Directors Prior to Final Disposition.

(a) The Corporation shall advance all Expenses incurred by or on behalf of any Director in connection with any Proceeding in which such Director is involved by reason of such Director' s Corporate Status within thirty (30) days after the receipt by the Corporation of a written statement from such Director 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 such Director and shall be preceded or accompanied by an undertaking by or on behalf of such Director to repay any Expenses so advanced if it shall ultimately be determined that such Director is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, the Corporation shall advance all Expenses incurred by or on behalf of any Director seeking advancement of expenses hereunder in connection with a Proceeding initiated by such Director only if such Proceeding (including any parts of such Proceeding not initiated by such Director) was (i) authorized by the Board of Directors of the Corporation, or (ii) brought to enforce such Director' s rights to indemnification or advancement of Expenses under these By-laws.

(b) If a claim for advancement of Expenses hereunder by a Director is not paid in full by the Corporation within thirty (30) days after receipt by the Corporation of documentation of Expenses and the required undertaking, such Director may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and if successful in whole or in part, such Director shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such advancement of Expenses under this Article V shall not be a defense to an action brought by a Director for recovery of the unpaid amount of an advancement claim and shall not create a presumption that such advancement is not permissible. The burden of proving that a Director is not entitled to an advancement of expenses shall be on the Corporation.

(c) 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 adjudication that the Director has not met any applicable standard for indemnification set forth in the DGCL.

SECTION 6. Advancement of Expenses to Officers and Non-Officer Employees Prior to Final Disposition.

(a) The Corporation may, at the discretion of the Board of Directors of the Corporation, advance any or all Expenses incurred by or on behalf of any Officer or any Non-Officer Employee in connection with any Proceeding in which such person is involved by reason of his or her Corporate Status as an Officer or Non-Officer Employee upon the receipt by the Corporation of a statement or statements from such Officer or Non-Officer Employee 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 such Officer or Non-Officer Employee and shall be preceded or accompanied by an undertaking by or on behalf of such person to repay any Expenses so advanced if it shall ultimately be determined that such Officer or Non-Officer Employee is not entitled to be indemnified against such Expenses.

(b) 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 adjudication that the Officer or Non-Officer Employee has not met any applicable standard for indemnification set forth in the DGCL.

SECTION 7. Contractual Nature of Rights.

(a) The provisions of this Article V shall be deemed to be a contract between the Corporation and each Director and Officer entitled to the benefits hereof at any time while this Article V is in effect, in consideration of such person' s past or current and any future performance of services for the Corporation. Neither amendment, repeal or modification of any provision of this Article V nor the adoption of any provision of the Certificate of Incorporation inconsistent with this Article V shall eliminate or reduce any right conferred by this Article V in respect of any act or omission occurring, or any cause of action or claim that accrues or arises or any state of facts existing, at the time of or before such amendment, repeal, modification or adoption of an inconsistent provision (even in the case of a proceeding based on such a state of facts that is commenced after such time), and all rights to indemnification and advancement of Expenses granted herein or arising out of any act or omission shall vest at the time of the act or omission in question, regardless of when or if any proceeding with respect to such act or omission is commenced. The rights to indemnification and to advancement of expenses provided by, or granted pursuant to, this Article V shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such person.

(b) If a claim for indemnification hereunder by a Director or Officer is not paid in full by the Corporation within sixty (60) days after receipt by the Corporation of a written claim for indemnification, such Director or Officer may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, such Director or Officer shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the

permissibility of such indemnification under this Article V shall not be a defense to an action brought by a Director or Officer for recovery of the unpaid amount of an indemnification claim and shall not create a presumption that such indemnification is not permissible. The burden of proving that a Director or Officer is not entitled to indemnification shall be on the Corporation.

(c) In any suit brought by a Director or Officer to enforce a right to indemnification hereunder, it shall be a defense that such Director or Officer has not met any applicable standard for indemnification set forth in the DGCL.

SECTION 8. Non-Exclusivity of Rights. The rights to indemnification and to advancement of Expenses set forth in this Article V shall not be exclusive of any other right which any Director, Officer, or Non-Officer Employee may have or hereafter acquire under any statute, provision of the Certificate or these By-laws, agreement, vote of stockholders or Disinterested Directors or otherwise.

SECTION 9. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any Director, Officer or Non-Officer Employee against any liability of any character asserted against or incurred by the Corporation or any such Director, Officer or Non-Officer Employee, or arising out of any such person' s Corporate Status, whether or not the Corporation would have the power to indemnify such person against such liability under the DGCL or the provisions of this Article V.

SECTION 10. Other Indemnification. The Corporation' s obligation, if any, to indemnify or provide advancement of Expenses to any person under this Article V as a result of such person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount such person may collect as indemnification or advancement of Expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or enterprise (the "Primary Indemnitor"). Any indemnification or advancement of Expenses under this Article V owed by the Corporation as a result of a person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall only be in excess of, and shall be secondary to, the indemnification or advancement of Expenses available from the applicable Primary Indemnitor(s) and any applicable insurance policies.

## ARTICLE VI

## Miscellaneous Provisions

SECTION 1. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

SECTION 2. Seal. The Board of Directors shall have power to adopt and alter the seal of the Corporation.

SECTION 3. Execution of Instruments. All deeds, leases, transfers, contracts, bonds, notes and other obligations to be entered into by the Corporation in the ordinary course of its business without director action may be executed on behalf of the Corporation by the Chairperson of the Board, if one is elected, the Chief Executive Officer, the President or the Treasurer or any other officer, employee or agent of the Corporation as the Board of Directors or the executive committee of the Board may authorize.

SECTION 4. Voting of Securities. Unless the Board of Directors otherwise provides, the Chairperson of the Board, if one is elected, the Chief Executive Officer, the President or the Treasurer may waive notice of and act on behalf of the Corporation, or appoint another person or persons to act as proxy or attorney in fact for the Corporation with or without discretionary power and/or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization, any of whose securities are held by the Corporation.

SECTION 5. Resident Agent. The Board of Directors may appoint a resident agent upon whom legal process may be served in any action or proceeding against the Corporation.

SECTION 6. Corporate Records. The original or attested copies of the Certificate, By-laws and records of all meetings of the incorporators, stockholders and the Board of Directors and the stock transfer books, which shall contain the names of all stockholders, their record addresses and the amount of stock held by each, may be kept outside the State of Delaware and shall be kept at the principal office of the Corporation, at an office of its counsel, at an office of its transfer agent or at such other place or places as may be designated from time to time by the Board of Directors.

SECTION 7. Certificate. All references in these By-laws to the Certificate shall be deemed to refer to the Amended and Restated Certificate of Incorporation of the Corporation, as amended and/or restated and in effect from time to time.

SECTION 8. Amendment of By-laws.

(a) Amendment by Directors. Except as provided otherwise by law, these By-laws may be amended or repealed by the Board of Directors by the affirmative vote of a majority of the directors then in office.

(b) Amendment by Stockholders. These By-laws may be amended or repealed at any Annual Meeting, or special meeting of stockholders called for such purpose in accordance with these By-Laws, by the affirmative vote of at least seventy-five percent (75%) of the outstanding shares entitled to vote on such amendment or repeal, voting together as a single class; provided, however, that if the Board of Directors recommends that stockholders approve such amendment or repeal at such meeting of stockholders, such amendment or repeal shall only require the

affirmative vote of the majority of the outstanding shares entitled to vote on such amendment or repeal, voting together as a single class. Notwithstanding the foregoing, stockholder approval shall not be required unless mandated by the Certificate, these By-laws, or other applicable law.

SECTION 9. Notices. If mailed, notice to stockholders shall be deemed given 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. Without limiting the manner by which notice otherwise may be given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the DGCL.

SECTION 10. Waivers. A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business to be transacted at, nor the purpose of, any meeting need be specified in such a waiver.

**Adopted , 2014, subject to effectiveness of the Company' s Registration Statement on Form S-1.**

**Exhibit 4.2**

# HORTONWORKS, INC.

# AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

**July 23, 2014**

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## AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

This AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "Agreement") is made as of the 23rd day of July, 2014, by and among **HORTONWORKS, INC.**, a Delaware corporation (the "Company"), and the investors listed on Schedule A hereto, each of which, when signing in its capacity as an investor, is herein referred to as an "Investor" and collectively as the "Investors".

### RECITALS

**WHEREAS**, the Investors hold shares of the Company' s Series A Preferred Stock, par value $0.0001 per share (the "Series A Preferred Stock"), shares of the Company' s Series B Preferred Stock, par value $0.0001 per share (the "Series B Preferred Stock"), shares of the Company' s Series C Preferred Stock, par value $0.0001 per share (the "Series C Preferred Stock"), shares of the Company' s Series D Preferred Stock, par value $0.0001 per share (the "Series D Preferred Stock" and collectively with the Series A Preferred Stock, the Series B Preferred Stock, and the Series C Preferred Stock, the "Preferred Stock") and/or shares of the Company' s Common Stock issued upon conversion thereof and, in the case of AT&T (as defined below), shares of the Company' s Common Stock comprising the AT&T Shares (as defined below), and possess registration rights, information rights, rights of first offer and other rights pursuant to an Amended and Restated Investors' Rights Agreement dated as of March 24, 2014 by and among the Company and the Investors (the "Prior Agreement"), as amended from time to time; and

**WHEREAS**, the Investors executing this Agreement hold sufficient amounts of securities to amend the Prior Agreement, and the Company and the Investors wish to terminate the Prior Agreement and further desire that this Agreement supersede and replace the Prior Agreement.

### AGREEMENT

**NOW, THEREFORE**, in consideration of the mutual promises and covenants set forth herein, the Investors and the Company hereby agree that the Prior Agreement shall be superseded and replaced in its entirety by this Agreement, and the parties hereto further agree as follows:

1. Registration Rights. The Company covenants and agrees as follows:

1.1 Definitions. For purposes of this Agreement:

(a) The term "Act" means the Securities Act of 1933, as amended.

(b) The term "Affiliate" means, with respect to any specified person, any other person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified person, including, without limitation, any direct or indirect subsidiary of such person that is at least 50% controlled by such person, general partner, officer,

director or manager of such person and any venture capital fund (or other investment fund) now or hereafter existing that is controlled by one or more general partners or managing members of, or is under common investment management with, such person.

(c) The term "Board of Directors" means the Board of Directors of the Company.

(d) The term "Form S-3" means such form under the Act as in effect on the date hereof or any registration form under the Act subsequently adopted by the SEC that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(e) The term "Free Writing Prospectus" means a free-writing prospectus, as defined in Rule 405.

(f) The term "Holder" means any person owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 1.11 hereof. If a person owns or has the right to acquire both Registrable Securities and other securities that are not Registrable Securities, such person shall only be a "Holder" with respect to such Registrable Securities and not with respect to any such other securities.

(g) The term "Initial Offering" means the Company' s first firm commitment underwritten public offering of its Common Stock under the Act.

(h) The term "1934 Act" means the Securities Exchange Act of 1934, as amended.

(i) The terms "register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

(j) The term "Registrable Securities" means: (i) the Common Stock issuable or issued upon conversion of the Preferred Stock, (ii) the Common Stock issuable or issued upon conversion of the Series A Preferred Stock issued upon exercise of the Warrant (as defined in the Series A Agreement), (iii) the Common Stock issuable or issued upon exercise of the warrant to purchase shares of Common Stock (the "Common Stock Warrant") issued to Yahoo! Inc. ("Yahoo!") dated June 9, 2014, (iv) the Common Stock (together, the "AT&T Shares") issued pursuant to the Common Stock Purchase Agreement dated September 30, 2013, by and between the Company and SBC Investment Portfolio, LLC, a Delaware limited liability company ("AT&T"), and (v) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i), (ii), (iii) or (iv) above, excluding in all cases, however, any Registrable Securities sold by a person in a transaction in which his rights under this Section 1 are not assigned. In addition, the number of shares of Registrable Securities outstanding shall equal the aggregate of the number of shares of Common Stock outstanding that are, and the number of shares of Common Stock issuable pursuant to then exercisable or convertible securities that are, Registrable Securities.

For all purposes herein, with respect to the Common Stock Warrant as described in clause (iii) above, the number of Registrable Securities issuable upon exercise of the Common Stock Warrant shall be calculated to include only the shares of Common Stock that are actually issuable as of any particular date of determination. For example, for purposes of calculating the number of Registrable Securities issuable upon exercise of the Common Stock Warrant, until additional shares of Series D Preferred Stock (or warrants therefore) are actually issued by the Company after the date hereof, the number of Registrable Securities issuable pursuant to Section 1(a)(ii) of the Common Stock Warrant shall be zero and the shares of Common Stock issuable pursuant to Section 1(a)(i) of the Common Stock Warrant shall be the only Registrable Securities issuable upon exercise of such Common Stock Warrant.

(k) The term "Restated Certificate" shall mean the Company' s Amended and Restated Certificate of Incorporation, as amended and/or restated from time to time.

(l) The term "Rule 144" shall mean Rule 144 under the Act.

(m) The term "Rule 144(b)(1)(i)" shall mean subsection (b)(1)(i) of Rule 144 under the Act as it applies to persons who have held shares for more than one (1) year.

(n) The term "Rule 405" shall mean Rule 405 under the Act.

(o) The term "Series A Agreement" shall mean the Series A Preferred Stock Purchase Agreement dated June 21, 2011 by and among the Company and certain of the Existing Investors.

(p) The term "SEC" shall mean the Securities and Exchange Commission.

1.2 Request for Registration.

(a) Subject to the conditions of this Section 1.2, if the Company shall receive at any time after the earlier of (i) five (5) years after the date of this Agreement or (ii) six (6) months after the effective date of the Initial Offering, a written request from the Holders of thirty percent (30%) or more of the Registrable Securities then outstanding (for purposes of this Section 1.2, the "Initiating Holders") that the Company file a registration statement under the Act covering the registration of Registrable Securities with an anticipated aggregate offering price of at least $10,000,000, then the Company shall, within twenty (20) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 1.2, use all commercially reasonable efforts to effect, as soon as practicable, the registration under the Act of all Registrable Securities that the Holders request to be registered in a written request received by the Company within twenty (20) days of the mailing of the Company' s notice pursuant to this Section 1.2(a).

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.2, and the Company shall include such information in the written notice referred to in Section 1.2(a). In such event the

right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder' s participation in such underwriting and the inclusion of such Holder' s Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by those Initiating Holders holding a majority of the Registrable Securities held by all Initiating Holders (which underwriter or underwriters shall be reasonably acceptable to the Company). Notwithstanding any other provision of this Section 1.2, if the underwriter advises the Company that marketing factors require a limitation on the number of securities underwritten (including Registrable Securities), then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such Registrable Securities pro rata based on the number of Registrable Securities held by all such Holders (including the Initiating Holders). In no event shall any Registrable Securities be excluded from such underwriting unless all other securities are first excluded, including securities that are not Registrable Securities held by Holders. For purposes of this Section 1.2(b), any Holder of Registrable Securities that is a venture capital fund (or other investment fund), partnership or corporation, the venture capital funds (or other investment funds), partners, retired partners and stockholders that are Affiliates of such Holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "Holder". Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) Notwithstanding the foregoing, the Company shall not be required to effect a registration pursuant to this Section 1.2:

(i) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service in such jurisdiction and except as may be required under the Act; or

(ii) after the Company has effected two (2) registrations pursuant to this Section 1.2, and such registrations have been declared or ordered effective; or

(iii) during the period starting with the date sixty (60) days prior to the Company' s good faith estimate of the date of the filing of and ending on a date one hundred eighty (180) days following the effective date of a Company-initiated registration subject to Section 1.3 below, provided that the Company is actively employing in good faith all commercially reasonable efforts to cause such registration statement to become effective; or

(iv) if the Initiating Holders propose to dispose of Registrable Securities that may be registered on Form S-3 pursuant to Section 1.4 hereof; or

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 1.2 a certificate signed by the Company' s Chief Executive Officer or Chairman of the Board of Directors stating that in the good faith judgment

of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders, provided that such right shall be exercised by the Company not more than once in any twelve (12) month period and provided further that the Company shall not register any securities for the account of itself or any other stockholder, and shall not register any securities that are not Registrable Securities for the account of any Holder, during such ninety (90) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered).

1.3 Company Registration.

(a) If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Holders or any securities that are not Registrable Securities for the account of any Holder) any of its stock or other securities under the Act in connection with the public offering of such securities (other than (i) a registration relating to a demand pursuant to Section 1.2 or (ii) a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within twenty (20) days after mailing of such notice by the Company in accordance with Section 3.5, the Company shall, subject to the provisions of Section 1.3(c), use all commercially reasonable efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder requests to be registered.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.3 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with Section 1.7 hereof.

(c) Underwriting Requirements. In connection with any offering involving an underwriting of shares of the Company' s capital stock, the Company shall not be required under this Section 1.3 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by the Company (or by other persons entitled to select the underwriters) and enter into an underwriting agreement in customary form with such underwriters, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the

success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the amount of securities sold other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, that the underwriters determine in their sole discretion will not jeopardize the success of the offering. In no event shall any Registrable Securities be excluded from such offering unless all other stockholders' securities have been first excluded. In the event that the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be apportioned pro rata among the selling Holders based on the number of Registrable Securities held by all selling Holders or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall the amount of Registrable Securities of the selling Holders included in the offering be reduced below thirty percent (30%) of the total amount of securities included in such offering, unless such offering is the Initial Offering, in which case the Registrable Securities held by the selling Holders may be excluded if the underwriters make the determination described above and no other stockholder' s securities, including securities that are not Registrable Securities held by any Holder, are included in such offering. For purposes of the preceding sentence concerning apportionment, for any selling stockholder that is a Holder of Registrable Securities and that is a venture capital fund (or other investment fund), partnership or corporation, the venture capital funds (or other investment funds), partners, retired partners and stockholders that are Affiliates of such Holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

1.4 Form S-3 Registration. In case the Company shall receive from the Holders of at least thirty percent (30%) of the Registrable Securities then outstanding (for purposes of this Section 1.4, the "S-3 Initiating Holders") a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company shall:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) use all commercially reasonable efforts to effect, as soon as practicable, such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company, provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 1.4:

(i) if Form S-3 is not available for such offering by the Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than $5,000,000;

(iii) if the Company shall furnish to all Holders requesting a registration statement pursuant to this Section 1.4 a certificate signed by the Company' s Chief Executive Officer or Chairman of the Board of Directors stating that in the good faith judgment of the Board of Directors of the Company, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the S-3 Initiating Holders, provided that such right shall be exercised by the Company not more than once in any twelve (12) month period and provided further that the Company shall not register any securities for the account of itself or any other stockholder, and shall not register any securities that are not Registrable Securities for the account of any Holder, during such ninety (90) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered);

(iv) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form S-3 pursuant to this Section 1.4;

(v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance;

(vi) if the Company, within thirty (30) days of receipt of the request of such S-3 Initiating Holders, gives notice of its bona fide intention to effect the filing of a registration statement with the SEC within one hundred twenty (120) days of receipt of such request (other than a registration effected solely to qualify an employee benefit plan or to effect a business combination pursuant to Rule 145), provided that the Company is actively employing in good faith all commercially reasonable efforts to cause such registration statement to become effective; or

(vii) during the period starting with the date thirty (30) days prior to the Company' s good faith estimate of the date of the filing of and ending on a date ninety (90) days following the effective date of a Company-initiated registration subject to Section 1.3 above, provided that the Company is actively employing in good faith all commercially reasonable efforts to cause such registration statement to become effective.

(c) If the S-3 Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.4 and the Company shall include such information in the written notice referred to in Section 1.4(a). The provisions of Section 1.2(b) shall be applicable to such request (with the substitution of Section 1.4 for references to Section 1.2).

(d) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the S-3 Initiating Holders. Registrations effected pursuant to this Section 1.4 shall not be counted as requests for registration effected pursuant to Section 1.2.

1.5 Obligations of the Company. Whenever required under this Section 1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all commercially reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the Registration Statement has been completed;

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement;

(c) furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus and any Free Writing Prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) use all commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering;

(f) notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such

registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and, at the request of any such Holder, the Company will, as soon as reasonably practicable, file and furnish to all such Holders a supplement or amendment to such prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in light of the circumstances under which they were made;

(g) cause all such Registrable Securities registered pursuant to this Section 1 to be listed on a national exchange or trading system and on each securities exchange and trading system on which similar securities issued by the Company are then listed; and

(h) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

Notwithstanding the provisions of this Section 1, the Company shall be entitled to postpone or suspend, for a reasonable period of time not to exceed 120 days, the effectiveness or use of, or trading under, any registration statement if the Company shall determine that any such filing or the sale of any securities pursuant to such registration statement would in the good faith judgment of the Board of Directors of the Company:

(i) materially impede, delay or interfere with any material pending or proposed financing, acquisition, corporate reorganization or other similar transaction involving the Company for which the Board of Directors of the Company has authorized negotiations;

(ii) materially adversely impair the consummation of any pending or proposed material offering or sale of any class of securities by the Company; or

(iii) require disclosure of material nonpublic information that, if disclosed at such time, would be materially harmful to the interests of the Company and its stockholders;

provided, however, that during any such period all executive officers and directors of the Company are also prohibited from selling securities of the Company (or any security of any of the Company' s subsidiaries or affiliates), and provided, further, that (A) the Company may not invoke this right more than once in any twelve (12) month period and (B) the Company shall not register any securities for its own account or that of any other stockholder, and shall not register any securities that are not Registrable Securities for the account of any Holder, during such one hundred and twenty (120) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only

Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered). In the event of the suspension of effectiveness of any registration statement pursuant to this Section 1.5, the applicable time period during which such registration statement is to remain effective shall be extended by that number of days equal to the number of days the effectiveness of such registration statement was suspended.

1.6 Information from Holder. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder' s Registrable Securities.

1.7 Expenses of Registration. All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications pursuant to Sections 1.2, 1.3 and 1.4, including, without limitation, all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for the selling Holders shall be borne by the Company. Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.2 or Section 1.4 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless, in the case of a registration requested under Section 1.2, the Holders of at least a majority of the Registrable Securities then outstanding agree to forfeit their right to one demand registration pursuant to Section 1.2 and provided, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and shall retain their rights pursuant to Sections 1.2 and 1.4.

1.8 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.9 Indemnification. In the event any Registrable Securities are included in a registration statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, officers, directors and stockholders of each Holder, legal counsel and accountants for each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following

statements, omissions or violations (collectively a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus, final prospectus, or Free Writing Prospectus contained therein or any amendments or supplements thereto, any issuer information (as defined in Rule 433 of the Act) filed or required to be filed pursuant to Rule 433(d) under the Act or any other document incident to such registration prepared by or on behalf of the Company or used or referred to by the Company, (ii) the omission or alleged omission to state in such registration statement a material fact required to be stated therein, or necessary to make the statements therein not misleading or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any state securities laws, and the Company will reimburse each such Holder, underwriter, controlling person or other aforementioned person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the indemnity agreement contained in this subsection l.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter, controlling person or other aforementioned person.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Act, legal counsel and accountants for the Company, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any person intended to be indemnified pursuant to this subsection l.9(b) for any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the indemnity agreement contained in this subsection l.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld), and provided that in no event shall any indemnity under this subsection l.9(b) exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 1.9 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.9, deliver to the

indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one (1) separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of liability to the indemnified party under this Section 1.9 to the extent of such prejudice, but the omission to so deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.9.

(d) If the indemnification provided for in this Section 1.9 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations; provided, however, that (i) no contribution by any Holder, when combined with any amounts paid by such Holder pursuant to Section 1.9(b), shall exceed the net proceeds from the offering received by such Holder and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder' s liability pursuant to this Section 1.9(d), when combined with the amounts paid or payable by such Holder pursuant to Section 1.9(b), exceed the proceeds from the offering received by such Holder (net of any expenses paid by such Holder). The relative fault of the indemnifying party and the indemnified party 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 indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) The obligations of the Company and Holders under this Section 1.9 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1 and otherwise.

1.10 Reports Under the 1934 Act. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the effective date of the Initial Offering;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act; and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company and (iii) such other information as may be reasonably requested to avail any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

1.11 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such securities that (a) is an Affiliate, direct or indirect subsidiary of such person that is at least 50% controlled by such person, parent, partner, limited partner, retired partner, member, retired member or stockholder of such Holder, officer, director or manager of such Holder and/or any venture capital fund (or other investment fund) now or hereafter existing that is controlled by one or more general partners or managing members of, or is under common investment management with, such Holder, and/or, in the case of Index Ventures (as defined below), the advisory or management entity engaged by any Index Ventures Holder or any entity that is advised or managed by the same advisory entity as any Index Venture Holder, (b) is a Holder' s family member or trust for the benefit of an individual Holder, or (c) after such assignment or transfer, holds at least 500,000 shares of Registrable Securities (appropriately adjusted for any stock split, dividend, combination or other recapitalization), provided: (i) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; (ii) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including, without limitation, the provisions of Section 1.13 below; and (iii) such assignment shall be effective only if immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Act.

1.12 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders holding at least a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder

or prospective holder (a) to include any of such securities in any registration filed under Section 1.2, Section 1.3 or Section 1.4 hereof, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the amount of the Registrable Securities of the Holders that are included or (b) to demand registration of their securities.

1.13 "Market Stand-Off" Agreement.

(a) Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Company' s Initial Offering and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (l80) days) (i) lend, 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, 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, in each case held immediately prior to the effectiveness of the Registration Statement for such offering (or any shares of Common Stock issuable or issued upon the conversion, exercise or exchange thereof upon or following the effectiveness of the Registration Statement for such offering) or (ii) 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 or any securities convertible into or exercisable or exchangeable for Common Stock, in each case held immediately prior to the effectiveness of the Registration Statement for such offering (or any shares of Common Stock issuable or issued upon the conversion, exercise or exchange thereof upon or following the effectiveness of the Registration Statement for such offering), whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise. The foregoing provisions of this Section 1.13 shall apply only to the Company' s Initial Offering, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Holders if all officers, directors and greater than two percent (2%) stockholders of the Company enter into similar agreements. The underwriters in connection with the Company' s Initial Offering are intended third-party beneficiaries of this Section 1.13 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in the Company' s Initial Offering that are consistent with this Section 1.13 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply to all Holders (and the shares or securities of every other person subject to the foregoing restriction) subject to such agreements pro rata based on the number of shares subject to such agreements.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period. Notwithstanding the foregoing, if (i) during the last seventeen (17) days of the one hundred eighty (180)-day restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs; or (ii) prior to the expiration of the one hundred eighty (180)-day restricted period, the Company announces that it will release earnings results

during the sixteen (16)-day period beginning on the last day of the one hundred eighty (180)-day period, the restrictions imposed by this Section 1.13 shall continue to apply until the expiration of the eighteen (18)-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

(b) Each Holder agrees that a legend reading substantially as follows shall be placed on all certificates representing all Registrable Securities of each Holder (and the shares or securities of every other person subject to the restriction contained in this Section 1.13):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD AFTER THE EFFECTIVE DATE OF THE ISSUER' S REGISTRATION STATEMENT FILED UNDER THE ACT, AS AMENDED, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE ISSUER' S PRINCIPAL OFFICE. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES.

1.14 Termination of Registration Rights. No Holder shall be entitled to exercise any right provided for in this Section 1 (a) after five (5) years following a Qualified Public Offering, as that term is defined in the Restated Certificate, (b) as to any Holder, such earlier time after the Initial Offering at which such Holder (i) can sell all shares held by it in compliance with Rule 144(b)(1)(i) or (ii) holds one percent (1%) or less of the Company' s outstanding Common Stock and all Registrable Securities held by such Holder (together with any Affiliate of the Holder with whom such Holder must aggregate its sales under Rule 144) can be sold in any three (3) month period without registration in compliance with Rule 144, or (c) the consummation of a Liquidation Event, as that term is defined in the Restated Certificate, other than a Liquidation Event where the consideration is stock that is not tradable on a national securities exchange.

2. Covenants of the Company.

2.1 Delivery of Financial Statements. The Company shall, upon request, deliver to each Investor (or transferee of an Investor):

(a) as soon as practicable, but in any event within sixty (60) days after the end of each fiscal year of the Company, an income statement for such fiscal year, a balance sheet of the Company and statement of stockholders' equity as of the end of such year, and a statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with generally accepted accounting principles ("GAAP"), and audited and certified by independent public accountants of nationally recognized standing selected by the Company' s Board of Directors and acceptable to Yahoo!;

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, an unaudited income statement, statement of cash flows for such fiscal quarter and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all

prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) within thirty (30) days of the end of each month, an unaudited income statement and statement of cash flows for such month, and an unaudited balance sheet and statement of stockholders' equity as of the end of such month, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(d) as soon as practicable, but in any event at least thirty (30) days prior to the end of each fiscal year, a budget and business plan for the next fiscal year, approved by the Board of Directors, on a monthly basis, including balance sheets, income statements and statements of cash flows for such months and, as soon as prepared, any other budgets or revised budgets prepared by the Company;

(e) as promptly as reasonably practicable after the end of each calendar year, but in any event within thirty (30) calendar days after the end of each calendar year, a detailed capitalization table as of December 31 of such calendar year on a fully-diluted basis, setting out (i) the authorized shares of the Company, (ii) the issued and outstanding shares of the Company on a stockholder-by-stockholder basis, (iii) the outstanding options, warrants and/or other convertible securities of the Company, showing the number of such securities held by each holder thereof, the number and type of shares of capital stock then subject to issuance upon exercise or conversion of such securities, and the extent to which such securities are then vested and exercisable, and (iv) any transfers of shares or other securities during such calendar year; and

(f) such other information relating to the financial condition, business or corporate affairs of the Company as the Investor may from time to time request, provided, however, that the Company shall not be obligated under this subsection (f) or any other subsection of Section 2.1 to provide information that (i) it deems in good faith to be a trade secret or similar confidential proprietary information or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

For purposes of Section 2.1(a) above, any of the following independent public accountants shall be acceptable to Yahoo!: Deloitte Touche, PricewaterhouseCoopers, Ernst & Young, KPMG, Grant Thornton and BDO.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

The Company further acknowledges and agrees that (a) it will modify its information obligations set forth in this Section 2.1 as reasonably necessary in order to enable Yahoo! to comply with applicable SEC and other public reporting requirements, as the same may be amended or change from time to time, as reasonably determined by Yahoo!, and (b) it will

maintain a system of internal accounting controls appropriate for similarly situated companies designed to provide reasonable assurances (i) that transactions, receipts and expenditures of the Company are being executed and made only in accordance with authorizations of management and/or the Board of Directors, (ii) that transactions are recorded as necessary (A) to permit preparation of financial statements in conformity with GAAP and (B) to maintain accountability for assets, (iii) regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of the Company, (iv) that the amount recorded for assets on the books and records of the Company are compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences and (v) that accounts, notes and other receivables and inventory are recorded accurately, and proper and adequate procedures are implemented to effect the collection thereof on a current and timely basis.

Notwithstanding the lead-in to this Section 2.1, but otherwise subject to the terms of this Section 2.1, without any further request by Yahoo!, Teradata Corporation or Hewlett-Packard Company ("HP"), as applicable, the Company shall provide to each of Yahoo!, Teradata Corporation and HP the information described in subsections (a), (b), (c) and (e) of this Section 2.1 in each case in accordance with the deadlines described in such subsections; provided however, the Company shall not be obligated to provide any information pursuant to this Agreement, if the Company determines, in good faith, that such information is competitive, a trade secret or highly confidential. Such information shall be delivered to each of (i) Yahoo!' s Global Controller & Chief Accounting Officer at kothari@yahoo-inc.com or to such other person or persons employed by Yahoo! as Yahoo! may from time to time designate in writing, (ii) Teradata Corporation' s Chief Accounting Officer at samuel.schwartz@teradata.com or to such other person or persons employed by Teradata Corporation as Teradata Corporation may from time to time designate in writing and (iii) HP' s VP Corporate Development at lak.ananth@hp.com or to such other person or persons employed by HP as HP may from time to time designate in writing.

2.2 Inspection. The Company shall permit each Investor, at such Investor' s expense, to visit and inspect the Company' s properties, to examine its books of account and records and to discuss the Company' s affairs, finances and accounts with its officers, all at such reasonable times as may be requested by the Investor; provided, however, that the Company shall not be obligated pursuant to this Section 2.2 to provide access to any information that it reasonably considers to be a trade secret or similar confidential information.

2.3 Termination of Information and Inspection Covenants. The covenants set forth in Sections 2.1 and 2.2 shall terminate and be of no further force or effect upon the earlier to occur of (a) a Qualified Public Offering, as that term is defined in the Restated Certificate, (b) when the Company first becomes subject to the periodic reporting requirements of Sections 12(g) or 15(d) of the 1934 Act, whichever event shall first occur or (c) the consummation of a Liquidation Event, as that term is defined in the Restated Certificate, other than a Liquidation Event where any portion of the consideration received by such Investor is stock of a class that is not tradable on a national securities exchange.

2.4 Right of First Offer. Subject to the terms and conditions specified in this Section 2.4, the Company hereby grants to each Investor a right of first offer with respect to future sales by the Company of its Shares (as hereinafter defined). For purposes of this

Section 2.4, the term "Investor" includes any general partners, limited partners, members, direct or indirect subsidiaries of such person that are at least 50% controlled by such person and affiliates of an Investor, and/or any venture capital fund (or other investment fund) now or hereafter existing that is controlled by one or more general partners or managing members of, or is under common investment management with, such Investor. An Investor shall be entitled to apportion the right of first offer hereby granted it among itself and its partners, Affiliates and other aforementioned persons in such proportions as it deems appropriate.

Each time the Company proposes to offer any shares of, or securities convertible into or exchangeable or exercisable for any shares of its capital stock including, without limitation, any such shares or securities issued in connection with debt securities ("Shares"), the Company shall first make an offering of such Shares to each Investor in accordance with the following provisions:

(a) The Company shall deliver a notice in accordance with Section 3.5 ("Notice") to the Investors stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered and (iii) the price and terms upon which it proposes to offer such Shares.

(b) By written notification received by the Company within thirty (30) calendar days after the giving of Notice, each Investor may elect to purchase, at the price and on the terms specified in the Notice, up to that portion of such Shares that equals the proportion that the number of shares of Common Stock that are Registrable Securities issued and held by such Investor (assuming full conversion and exercise of all convertible and exercisable securities then outstanding) bears to the total number of shares of Common Stock of the Company then outstanding (assuming full conversion and exercise of all convertible and exercisable securities then outstanding). The Company shall promptly, in writing, inform each Investor that elects to purchase all the shares available to it (a "Fully-Exercising Investor") of any other Investor' s failure to do likewise. During the ten (10) day period commencing after such information is given, each Fully-Exercising Investor may elect to purchase that portion of the Shares for which Investors were entitled to subscribe, but which were not subscribed for by the Investors, that is equal to the proportion that the number of shares of Registrable Securities issued and held by such Fully-Exercising Investor bears to the total number of Registrable Securities issued and held, or issuable upon conversion of the Preferred Stock then held, by all Fully-Exercising Investors who wish to purchase some of the unsubscribed shares.

(c) If all Shares that Investors are entitled to obtain pursuant to subsection 2.4(b) are not elected to be obtained as provided in subsection 2.4(b) hereof, the Company may, during the sixty (60) day period following the expiration of the period provided in subsection 2.4(b) hereof, offer the remaining unsubscribed portion of such Shares to any person or persons at a price not less than that, and upon terms no more favorable to the offeree than those, specified in the Notice. If the Company does not enter into an agreement for the sale of the Shares within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Shares shall not be offered unless first reoffered to the Investors in accordance herewith.

(d) The right of first offer in this Section 2.4 shall not be applicable to

(i) the issuance or sale of shares of Common Stock (or options therefor) to employees, directors, consultants and other service providers for the primary purpose of soliciting or retaining their services pursuant to plans or agreements approved by the Company' s Board of Directors, (ii) the issuance of securities pursuant to a bona fide, firmly underwritten public offering of shares of Common Stock registered under the Act, (iii) the issuance of securities pursuant to the conversion or exercise of convertible or exercisable securities outstanding as of the date hereof, (iv) the issuance of securities in connection with a bona fide business acquisition of or by the Company, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise approved by the Board of Directors, (v) the issuance of that certain Warrant to Purchase Shares of Common Stock issued to Yahoo! as of June 9, 2014 and the issuance of shares of Common Stock upon exercise thereof, (vi) the issuance of the shares of Series A Preferred Stock issuable upon exercise of the Warrant (or the Common Stock issuable upon conversion thereof), (vii) the issuance of securities pursuant to any equipment leasing arrangement or debt financing arrangement, which arrangement is approved by the Board of Directors, and is primarily for non-equity financing purposes, (viii) issuance of securities pursuant to the Allocation Agreement dated as of March 24, 2014 by and between the Company and Passport Capital, LLC ("Passport") (the "IPO Allocation Agreement"), or (ix) the issuance of securities that are specifically deemed not to be subject to the right of first offer in this Section 2.4 by the written consent or affirmative vote of the Investors holding at least a majority of the Common Stock issuable or issued upon conversion of Preferred Stock held by Investors. In addition to the foregoing, the right of first offer in this Section 2.4 shall not be applicable with respect to any Investor in any subsequent offering of Shares if (i) at the time of such offering, the Investor is not an "accredited investor," as that term is then defined in Rule 501(a) of the Act and (ii) such offering of Shares is otherwise being offered only to accredited investors.

(e) The rights provided in this Section 2.4 may not be assigned or transferred by any Investor; provided, however, that an Investor that is a venture capital fund (or other investment fund), corporation, limited liability company, limited partnership or other entity may assign or transfer such rights to its Affiliates.

(f) The covenants set forth in this Section 2.4 shall terminate and be of no further force or effect upon the consummation of (i) a Qualified Public Offering, as that term is defined in the Restated Certificate or (ii) a Liquidation Event, as that term is defined in the Restated Certificate, other than a Liquidation Event where the consideration is stock that is not tradable on a national securities exchange.

2.5 Key Man Insurance. The Company' s Board of Directors shall maintain key man insurance on terms acceptable to the Company' s Board of Directors.

2.6 Directors and Officers Insurance. The Company shall use commercially reasonable efforts to maintain adequate insurance covering its officers and directors and their related persons for at least $1,000,000, from claims arising from action taken in good faith on behalf of the Company, on terms reasonably acceptable to the Company' s Board of Directors.

2.7 Proprietary Information and Inventions Agreements. The Company shall require all employees and consultants with access to confidential information to execute and deliver a Proprietary Information and Inventions Agreement in substantially the form approved by the Company' s Board of Directors.

2.8 Employee Agreements. Unless approved by the Board of Directors of the Company, all future employees of the Company who shall purchase, or receive options to purchase, shares of Common Stock following the date hereof shall be required to execute stock purchase or option agreements providing for (a) vesting of shares over a four (4) year period with the first twenty five percent (25%) of such shares vesting following twelve (12) months of continued employment or services, and the remaining shares vesting in equal monthly installments over the following thirty six (36) months thereafter and (b) a one hundred and eighty (180)-day lockup period (plus an additional period of up to eighteen (18) days) in connection with the Company' s initial public offering. The Company shall retain a right of first refusal on transfers until the Company' s initial public offering and the right to repurchase unvested shares at the lesser of cost or fair market value.

2.9 Board of Directors Meetings. Unless otherwise approved by a majority of the members of the Board of Directors of the Company, the Board of Directors of the Company shall meet at least six (6) times per year, of which at least four (4) such meetings shall be in person. The Company shall reimburse the reasonable out-of-pocket expenses (including travel expenses) of the members of the Board of Directors of the Company related to attending such meetings. The Company will cause its management team to use commercially reasonable efforts to deliver reporting information to the Board of Directors at least three days prior to each regular meeting of the Board of Directors in the form and having the content determined by the Board of Directors at the first meeting of the Board of Directors to be held following the date of this Agreement (which form of reporting shall only be thereafter changed with the approval of the Board of Directors). Any proposal, offer or indication of interest received by the Company from any person with respect to an equity investment in the Company, or with respect to the consummation of any Liquidation Event or other acquisition of the Company, or of any material portion of its business or assets (other than the license of intellectual property in the ordinary course of the Company' s business), shall be presented to the Board of Directors of the Company as soon as practicable and in any event within seven business days of the Company' s receipt of such proposal, offer or indication of interest.

2.10 Issuance of Series A Preferred Stock. The Company shall not issue any shares of Series A Preferred Stock other than pursuant to the Series A Agreement or the exercise of the Warrant.

2.11 Yahoo! Special Approval Rights. In addition to any other approvals required by law, under this Agreement or otherwise, for so long as Yahoo! continues to hold at least a majority of the Registrable Securities purchased by it pursuant to the Series A Agreement:

Until July 1, 2016, Yahoo!' s prior written approval shall be required prior to (i) the closing of the sale, transfer, exclusive license or other disposition of all or substantially all of the assets (taken as a whole) of the Company or a majority-owned subsidiary of the Company to or (ii) the consummation of the merger or consolidation of the Company or a majority-owned subsidiary of the Company with or into Google Inc. or Facebook, Inc., or any successors to all or substantially all of such corporations' respective businesses, or any direct or indirect subsidiary of such corporation that is at least 50% controlled by such corporation.

2.12 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company' s Bylaws, its Certificate of Incorporation, or elsewhere, as the case may be.

2.13 Increase to Unallocated Option Pool. The Company shall not increase the number of unallocated shares available for issuance as of the date hereof to employees, directors, consultants and other service providers under the 2011 Stock Option Plan to an amount greater than 10% of the fully diluted capitalization of the Company as of the date hereof without approval by either (A) the Company' s Board of Directors (including each designee of the holders of Series A Preferred Stock and Series B Preferred Stock), or (B) the holders of a majority of the shares of Preferred Stock then outstanding (voting together as a single class on an as-converted basis).

2.14 Termination of Certain Covenants. The covenants set forth in Sections 2.5 through 2.11 and 2.13 shall terminate and be of no further force or effect upon the consummation of (a) a Qualified Public Offering, as that term is defined in the Restated Certificate, or (b) a Liquidation Event, as that term is defined in the Restated Certificate. In addition, Section 2.11 shall terminate and be of no further force or effect upon the consummation of a Yahoo! Change of Control. For purposes of this Agreement, a "Yahoo! Change of Control" shall mean (A) the closing of the sale, transfer, exclusive license or other disposition of all or substantially all of Yahoo!' s assets, (B) the consummation of the merger or consolidation of Yahoo! with or into another entity (except a merger or consolidation in which the holders of capital stock of Yahoo! immediately prior to such merger or consolidation continue to hold at least 50% of the voting power of the capital stock of Yahoo! or the surviving or acquiring entity), (C) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of Yahoo!' s securities), of Yahoo!' s securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting stock of Yahoo! (or the surviving or acquiring entity) or (D) a liquidation, dissolution or winding up of Yahoo!.

3. Miscellaneous.

3.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any shares of Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

3.2 Governing Law. Subject to Section 3.10 below, this Agreement shall be governed by and construed under the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California.

3.3 Counterparts; Facsimile. This Agreement may be executed and delivered by facsimile or electronic signature (including pdf) and in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument.

3.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.5 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given upon the earlier to occur of actual receipt or: (a) upon personal delivery to the party to be notified, (b) when sent by electronic mail if also confirmed by facsimile sent during normal business hours of the recipient, effective as of the delivery of the facsimile; if not sent via facsimile during normal business hours, 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. The occurrence of any one of the events set forth in clauses (a) through (d) above shall constitute "Delivery" of notice. All communications shall be sent to the respective parties at the addresses set forth on the signature pages attached hereto (or at such other addresses as shall be specified by notice given in accordance with this Section 3.5). This Section 3.5 shall not apply to HP, and the delivery and notice provisions with respect to HP shall be set forth on its signature page to this Agreement.

3.6 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.7 Entire Agreement; Amendments and Waivers. This Agreement (including the Exhibits hereto, if any) constitutes the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force or effect. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Investors holding at least a majority of the Registrable Securities then outstanding; provided that Sections 2.10 and 2.11 of this Agreement may only be amended and the observance of such terms may only be waived (either generally or in a particular instance and either retroactively or prospectively) by Yahoo!, the Investors holding at least a majority of the Registrable Securities then outstanding and the Company; provided further that Section 1.13 of this Agreement may only be amended and the observance of such terms may only be waived on behalf of the Investors (either generally or in a particular

instance and either retroactively or prospectively) by the holders of a majority of the shares of Series D Preferred Stock then outstanding, the Company and the Investors holding at least a majority of the Registrable Securities then outstanding; and provided further that any waiver of Section 2.4 of this Agreement by Investors holding at least a majority of the Registrable Securities then outstanding (the "Waiving Holders") shall not be effective as to any Investor who has not waived such right of first offer unless (x) no Waiving Holder purchases any Shares in such issuance or (B) if any Waiving Holder purchases Shares in such issuance, each Investor shall have been provided the opportunity to purchase up to such Investor' s *pro rata* share (as calculated in the manner described in Section 2.4) of all of the Shares that are allocated for purchase by the Investors. For purposes of clarification, the Waiving Holders shall have the right to waive the right of first offer contained in Section 2.4 in a partial and proportionate manner such that each Investor that is entitled to a right of first offer pursuant to Section 2.4 is offered the opportunity to purchase its *pro rata* share (as calculated in the manner described in Section 2.4) of a lesser number of aggregate shares than the actual number of Shares that the Company proposes to offer generally, and any such partial and proportionate waiver shall be binding on each Investor whether or not such Investor has expressly agreed to such partial and proportionate waiver. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each holder of any Registrable Securities, each future holder of all such Registrable Securities and the Company. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision. Notwithstanding anything herein to the contrary, if any amendment, based solely on a reading of the explicit terms thereof, would alter or change the rights and obligations of an Investor or group of Investors in a manner that is materially and adversely different than the treatment by such amendment of the rights and obligations of other Investors, then such amendment shall also require the written consent of the Investor so adversely affected (in the case of one adversely affected Investor) or the holders of a majority of Registrable Securities held by the group of Investors so adversely affected (in the case of more than one adversely affected Investor).

3.8 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

3.9 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities (including affiliated venture capital funds (or other investment funds) or venture capital funds (or other investment funds) under common investment management) or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

3.10 Dispute Resolution. Any unresolved controversy or claim arising out of or relating to this Agreement shall be submitted to arbitration by one arbitrator mutually agreed upon by the parties, and if no agreement can be reached within thirty (30) days after names of potential arbitrators have been proposed by the American Arbitration Association (the "AAA"), then by one arbitrator having reasonable experience in corporate finance transactions of the type provided for in this Agreement and who is chosen by the AAA. The arbitration shall take place

in the State of California, County of San Mateo, in accordance with the AAA rules then in effect, and judgment upon any award rendered in such arbitration will be binding and may be entered in any court having jurisdiction thereof. There shall be limited discovery prior to the arbitration hearing as follows: (a) exchange of witness lists and copies of documentary evidence and documents relating to or arising out of the issues to be arbitrated, (b) depositions of all party witnesses and (c) such other depositions as may be allowed by the arbitrators upon a showing of good cause. Depositions shall be conducted in accordance with Section 3.2 hereof, the arbitrator shall be required to provide in writing to the parties the basis for the award or order of such arbitrator, and a court reporter shall record all hearings, with such record constituting the official transcript of such proceedings. The prevailing party shall be entitled to reasonable attorney' s fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

3.11 Acknowledgment. The Company acknowledges that certain of the Investors are in the business of venture capital investing (or other types of investing) and therefore review the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company; provided however, the Investors agree that nothing in this Section 3.11 shall limit or otherwise modify any director' s fiduciary duties to the Company.

*[Remainder of page intentionally left blank]*

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**COMPANY:**

**HORTONWORKS, INC.**

By: /s/ Rob Bearden

Name: Rob Bearden

Title: Chief Executive Officer

Address: 3460 West Bayshore Road
Palo Alto, CA 94303

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**INVESTORS:**

**BLACKROCK GLOBAL OPPORTUNITIES EQUITY TRUST**

By: BlackRock Advisors, LLC
Its: Investment Advisor

By: /s/ Tony Kim

Name: Tony Kim

Title: MD

Address:

**BLACKROCK GLOBAL OPPORTUNITIES PORTFOLIO OF BLACKROCK FUNDS**

By: BlackRock Advisors, LLC
Its: Investment Advisor

By: /s/ Tony Kim

Name: Tony Kim

Title: MD

Address:

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**INVESTORS:**

**BLACKROCK SCIENCE & TECHNOLOGY OPPORTUNITIES PORTFOLIO, A SERIES OF BLACKROCK FUNDS II**

By: BlackRock Advisors, LLC
Its: Investment Advisor

By: /s/ Tony Kim

Name: Tony Kim

Title: MD

Address:

**BLACKROCK U.S. OPPORTUNITIES PORTFOLIO, A SERIES OF BLACKROCK FUNDS**

By: BlackRock Advisors, LLC
Its: Investment Advisor

By: /s/ Tony Kim

Name: Tony Kim

Title: MD

Address:

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**INVESTORS:**

**BLACKROCK GLOBAL OPPORTUNITIES V.I. FUND OF BLACKROCK VARIABLE SERIES FUNDS, INC.**

By: BlackRock Advisors, LLC
Its: Investment Advisor

By: /s/ Tony Kim

Name: Tony Kim

Title: MD

Address:

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**INVESTORS:**

**PASSPORT PARTNERS MASTER FUND SPC LTD. - PORTFOLIO A**

By: Passport Capital, LLC, its
Investment Manager

By: /s/ Joanne Cormican
Name: Joanne Cormican
Title: Chief Operating Officer

**PASSPORT SPECIAL OPPORTUNITIES MASTER FUND, LP**

By: Passport Capital, LLC, its
Investment Manager

By: /s/ Joanne Cormican
Name: Joanne Cormican
Title: Chief Operating Officer

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**INVESTORS:**

**BENCHMARK CAPITAL PARTNERS VI, L.P.**
as nominee for
Benchmark Capital Partners VI, L.P.,
Benchmark Founders' Fund VI, L.P.,
Benchmark Founders' Fund VI-B, L.P.
and related individuals

By: Benchmark Capital Management Co. VI, L.L.C.,
its general partner

By: /s/ Steven M. Spurlock

Name: Steven M. Spurlock

Title: Managing Member

Address: 2965 Woodside Road
Woodside, CA 94062

**BENCHMARK CAPITAL PARTNERS VII, L.P.**
as nominee for
Benchmark Capital Partners VII, L.P.,
Benchmark Founders' Fund VII, L.P.,
Benchmark Founders' Fund VII-B, L.P.

By: Benchmark Capital Management Co. VII, L.L.C.,
its general partner

By: /s/ Steven M. Spurlock

Name: Steven M. Spurlock

Title: Managing Member

Address: 2965 Woodside Road
Woodside, CA 94062

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**INVESTORS**:

**YAHOO! INC.**

By: /s/ Jacqueline D. Reses

Name: Jacqueline D. Reses

Title: Chief Development Officer

Address: 701 First Avenue

Sunnyvale, CA 94089

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**INVESTORS**:

**INDEX VENTURES IV (JERSEY), L.P.**

By: its Managing General Partner:
Index Venture Associates IV Limited

By: /s/ Paul Willing

Name: Paul Willing

Title: Director

Address: Ogier House
The Esplanade
St Helier
Jersey JE4 9WG
Channel Islands
Attention: Giles Johnstone-Scott

**INDEX VENTURES IV PARALLEL ENTREPRENEUR FUND (JERSEY), L.P.**

By: its Managing General Partner:
Index Venture Associates IV Limited

By: /s/ Paul Willing

Name: Paul Willing

Title: Director

Address: Ogier House
The Esplanade
St Helier
Jersey JE4 9WG
Channel Islands
Attention: Giles Johnstone-Scott

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**INVESTORS**:

**INDEX VENTURES V (JERSEY), L.P.**

By: its Managing General Partner:
Index Venture Associates V Limited

By: /s/ Paul Willing

Name: Paul Willing

Title: Director

Address: Ogier House
The Esplanade
St Helier
Jersey JE4 9WG
Channel Islands
Attention: Giles Johnstone-Scott

**INDEX VENTURES V PARALLEL ENTREPRENEUR FUND (JERSEY), L.P.**

By: its Managing General Partner:
Index Venture Associates V Limited

By: /s/ Paul Willing

Name: Paul Willing

Title: Director

Address: Ogier House
The Esplanade
St Helier
Jersey JE4 9WG
Channel Islands
Attention: Giles Johnstone-Scott

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**INVESTORS**:

**YUCCA (JERSEY) SLP**

By: Ogier Employee Benefit Services Limited as Authorised Signatory of Yucca (Jersey) SLP in its capacity as administrator of the Index Co-Investment Scheme,

By: /s/ Paul Willing /s/ Giles Johnstone-Scott

Name: Paul Willing & Giles Johnstone-Scott

Title: Authorized Signatories

Address: Ogier House
The Esplanade
St Helier
Jersey JE4 9WG
Channel Islands
Attention: Peter Le Breton

With copies to:
Index Venture Management S.A.
2 rue de Jargonnant
1207 Geneva
Switzerland

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**INVESTORS:**

**TENAYA CAPITAL VI, LP**

By: Tenaya Capital VI GP, LLC
Its: General Partner

By: /s/ Dave Markland

Name: Dave Markland

Title: Attorney in Fact

Address: 3280 Alpine Road
Portola Valley, CA 94028

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**INVESTORS:**

**DRAGONEER OPPORTUNITIES FUND, L.P.**

By: Dragoneer Global GP, LLC,
Its: General Partner

By: /s/ Pat Robertson
Name: Pat Robertson
Title: COO

Address: 101 California Street, Suite 2840
San Francisco, California 94111

**DRAGONEER GLOBAL FUND, L.P.**

By: Dragoneer Global GP, LLC,
Its: General Partner

By: /s/ Pat Robertson
Name: Pat Robertson
Title: COO

Address: 101 California Street, Suite 2840
San Francisco, California 94111

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**INVESTORS:**

**HEWLETT-PACKARD COMPANY**

By: /s/ Rishi Varma

Name: Rishi Varma
Title: SVP, DGC and Assistant Secretary

Address: 3000 Hanover Street
Palo Alto, CA 94304

All notices and other communications to Hewlett-Packard Company given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) when sent by facsimile during normal business hours of the recipient if a facsimile number is so provided below, effective as of the delivery of the facsimile; if not sent via facsimile during normal business hours, then on the next business day, (b) when sent by electronic mail if an electronic mail address is so provided below, effective as of the delivery of the electronic mail; if not sent via electronic mail during normal business hours, then on the next business day or (c) upon personal delivery to the party to be notified. The occurrence of any one of the events set forth in clauses (a) through (c) above shall constitute "Delivery" of notice to Hewlett-Packard Company. All communications to Hewlett-Packard Company shall be sent to the addresses set forth on this signature page (or at such other addresses as shall be specified by Hewlett-Packard Company).

Hewlett-Packard Company
3000 Hanover Street
Palo Alto, CA 94304
Attention: Head of Corporate Development
Email: corpdevops@hp.com

and

Hewlett-Packard Company
3000 Hanover Street
Palo Alto, CA 94304
Attention: General Counsel
Facsimile No. 650 857-5518

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

Skadden, Arps, Slate, Meagher & Flom LLP
525 University Avenue
Palo Alto, CA 94301
Attention: Leif B. King, Esq.
Facsimile No: (650) 470-4570
Email: leif.king@skadden.com

**SCHEDULE A**

**SCHEDULE OF INVESTORS**

Benchmark Capital Partners VI, L.P.
Benchmark Capital Partners VII, L.P.
Yahoo! Inc.
Index Ventures IV (Jersey), L.P.
Index Ventures IV Parallel Entrepreneur Fund (Jersey), L.P.
Index Ventures V (Jersey), L.P.
Index Ventures V Parallel Entrepreneur Fund (Jersey), L.P.
Yucca (Jersey) SLP
SV Angel III, L.P.
Teradata Corporation (with respect to its shares of Preferred Stock only)
Tenaya Capital VI, LP
Dragoneer Global Fund, LP
Dragoneer Opportunities Fund, L.P.
SBC Investment Portfolio, LLC (with respect to its shares of Common Stock and Preferred Stock)
BlackRock Global Opportunities Equity Trust
BlackRock Global Opportunities Portfolio of BlackRock Funds
BlackRock Science & Technology Opportunities Portfolio, a series of BlackRock Funds II
BlackRock U.S. Opportunities Portfolio, a series of BlackRock Funds
BlackRock Global Opportunities V.I. Fund of BlackRock Variable Series Funds, Inc.
Passport Partners Master Fund SPC Ltd. – Portfolio A
Passport Special Opportunities Master Fund, LP
Osprey Capital LLC
Hewlett-Packard Company

**Exhibit 4.3**

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

| Date of Issuance | Void after |
|---|---|
| July 1, 2011 | June 30, 2020 |

**HORTONWORKS, INC.**
**WARRANT TO PURCHASE SHARES OF SERIES A PREFERRED STOCK**

For valid consideration, the receipt and sufficiency of which is hereby acknowledged, this Warrant is issued to Yahoo! Inc., a Delaware corporation (the "Holder"), by HortonWorks, Inc., a Delaware corporation (f/k/a H2 Source, Inc.) (the "Company").

1. Purchase of Shares.

(a) Number of Shares. Subject to the terms and conditions set forth herein, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the Holder in writing), to purchase from the Company up to 3,250,000 fully paid and nonassessable shares of the Company' s Series A Preferred Stock, par value $0.0001 per share (the "Series A Preferred Stock").

(b) Exercise Price. The exercise price for the shares of Series A Preferred Stock issuable upon exercise of this Warrant (the "Shares") shall be $0.01 per share (the "Exercise Price"). The Shares and the Exercise Price shall be subject to adjustment pursuant to Section 8 hereof.

2. Exercise Period.

(a) Vesting and Exercise Period. Upon the occurrence of a Corporate Transaction (as defined below) (the "Vesting Date"), the Warrant shall vest with respect to: (x) 2,500,000 Shares issuable upon exercise of this Warrant, provided that as of and prior to the first anniversary of the date hereof (i) the Holder has not terminated that certain Commercial Agreement, dated June 21, 2011, by and between Holder and the Company, in the form attached hereto as Exhibit A and as the same may be amended from time to time in accordance therewith (as so amended, the "Commercial Agreement"), and (ii) Holder has then made or caused to be made all payments then due to the Company for services rendered in the first year of the Commercial Agreement pursuant to the Commercial Agreement (in an amount not less than $1,000,000 for Support Services and Horton Base Code Services Fees as set forth in the Commercial Agreement for the first year) and (y) 750,000 Shares issuable upon exercise of this

Warrant, provided that as of and prior to the second anniversary of the date hereof (i) the Holder has not terminated the Commercial Agreement (other than pursuant to and in accordance with Section 16.2(a) of the Commercial Agreement) and the Company has not terminated the Commercial Agreement pursuant to and in accordance with Section 16.2(a) of the Commercial Agreement, and (ii) unless Holder has previously terminated the Commercial Agreement pursuant to and in accordance with Section 16.2(a) of the Commercial Agreement or the Company has previously terminated the Commercial Agreement (other than pursuant to and in accordance with Section 16.2(a) of the Commercial Agreement), Holder has then made or caused to be made all payments then due to the Company for services rendered in the second year of the Commercial Agreement pursuant the Commercial Agreement (in an amount not less than $1,000,000 for Support Services and Horton Base Code Services Fees as set forth in the Commercial Agreement for the second year); provided that if the Company terminates the Commercial Agreement pursuant to and in accordance with Section 16.2(a) of the Commercial Agreement during the second year of the Commercial Agreement, and accordingly, the Warrant terminates with respect to 750,000 Shares, the Company shall have reimbursed the Holder within 10 days following the effective date of the termination for all fees paid by the Holder for Support Services and Horton Base Code Services Fees in the second year prior to such termination. To the extent each of the conditions specified in clauses (x)(i) and (x)(ii), or (y)(i) and (y)(ii), respectively, are not satisfied on or prior to the Vesting Date, this Warrant shall terminate and become null and void with respect to the applicable Shares subject to such conditions, and this Warrant shall no longer be exercisable by the Holder in respect of such Shares. Subject to Section 2(b), to the extent each of the conditions specified in clauses (x)(i) and (x)(ii) are not satisfied prior to and as of the first anniversary of the date hereof, this Warrant shall terminate and become null and void with respect to 2,500,000 Shares, and this Warrant shall no longer be exercisable by the Holder in respect of such Shares. Subject to Section 2(b), to the extent each of the conditions specified in clauses (y)(i) and (y)(ii) are not satisfied prior to and as of the second anniversary of the date hereof, this Warrant shall terminate and become null and void with respect to 750,000 Shares, and this Warrant shall no longer be exercisable by the Holder in respect of such Shares. This Warrant shall become exercisable, in whole or in part, upon the occurrence of a Corporate Transaction with respect to all Shares that have then vested hereunder and, if the Warrant becomes exercisable, it shall remain exercisable until June 30, 2020 (the "Expiration Date"). Notwithstanding the foregoing, in the event of a Corporate Transaction that is a Liquidation Event (other than a Liquidation Event where the consideration is stock that is not tradable on a national securities exchange), this Warrant shall automatically be deemed to be exercised for all shares that have vested and are exercisable in the manner set forth in Section 3, without any further action on behalf of the Holder immediately prior to the closing of such Liquidation Event. A "Corporate Transaction" means the earlier of (i) the consummation of the Company' s first sale of its Common Stock or other securities pursuant to a registration statement under the Securities Act of 1933, as amended (other than a registration statement relating either to the sale of securities to employees of the Company pursuant to a stock option, stock purchase or similar plan or a SEC Rule 145 transaction) (the "Initial Public Offering") and (ii) the consummation of a Liquidation Event, as such term is defined in the Company' s then current Amended and Restated Certificate of Incorporation on file with the Secretary of State of the State of Delaware (a "Liquidation Event").

(b) Acceleration. If a Corporate Transaction occurs prior to or on the first anniversary following the date hereof, so long as the Holder has not terminated the Commercial

Agreement, this Warrant shall vest and be exercisable with respect to 3,250,000 Shares effective as of the occurrence of the Corporate Transaction. If a Corporate Transaction occurs following the first anniversary and prior to or on the second anniversary following the date hereof, (i) so long as the conditions set forth in clauses A(x)(i) and A(x)(ii) were met and the Holder has not terminated the Commercial Agreement (other than pursuant to and in accordance with Section 16.2(a) of the Commercial Agreement) and the Company has not terminated the Commercial Agreement pursuant to and in accordance with Section 16.2(a) of the Commercial Agreement, this Warrant shall vest and be exercisable with respect to 3,250,000 Shares effective as of the occurrence of the Corporate Transaction or (ii) if the conditions set forth in clauses A(x)(i) and A(x)(ii) were not met but the Holder has not terminated the Commercial Agreement (other than, after the first anniversary of the Commercial Agreement, pursuant to and in accordance with Section 16.2(a) of the Commercial Agreement) and the Company has not, after the first anniversary of the Commercial Agreement, terminated the Commercial Agreement pursuant to and in accordance with Section 16.2(a) of the Commercial Agreement, this Warrant shall vest and be exercisable with respect to 750,000 Shares effective as of the occurrence of the Corporate Transaction.

3. Method of Exercise.

(a) If the Warrant vests and becomes exercisable in accordance with Section 2 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby at any time prior to the Expiration Date. Such exercise shall be effected by:

(i) the surrender of the Warrant, together with a duly executed copy of the Notice of Exercise attached hereto, to the Secretary of the Company at its principal office (or at such other place as the Company shall notify the Holder in writing); and

(ii) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Shares being purchased (unless the exercise is in accordance with Section 4 below).

(b) The exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant is surrendered to the Company as provided in Section 3(a) above. At such time, the person or persons in whose name or names any certificate for the Shares shall be issuable upon such exercise as provided in Section 3(c) below shall be deemed to have become the holder or holders of record of the Shares represented by such certificate.

(c) As soon as practicable after the exercise of this Warrant in whole or in part, the Company at its expense will cause to be issued in the name of, and delivered to, the Holder:

(i) a certificate or certificates for the number of Shares to which such Holder shall be entitled, and

(ii) in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of Shares equal to the number of such Shares described in this Warrant which have vested and are then exercisable minus the number of such Shares purchased by the Holder upon all exercises made in accordance with Section 3(a) above or Section 4 below.

4. Net Exercise. In lieu of exercising this Warrant for cash, the Holder may elect to receive shares equal to the value of this Warrant (or the portion thereof being exercised) by surrender of this Warrant at the principal office of the Company together with notice of such election (a "Net Exercise"). A Holder who Net Exercises shall have the rights described in Sections 3(b) and 3(c) hereof, and the Company shall issue to such Holder a number of Shares computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where

X = The number of Shares to be issued to the Holder.

Y = The number of Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being cancelled (at the date of such calculation).

A = The fair market value of one (1) Share (at the date of such calculation).

B = The Exercise Price (as adjusted to the date of such calculation).

For purposes of this Section 4, the fair market value of a Share shall mean the average of the closing bid and asked prices of the Shares (or equivalent shares of Common Stock underlying this Warrant) quoted in the over-the-counter market in which the Shares (or equivalent shares of Common Stock underlying the Warrant) are traded or the closing price quoted on any exchange or electronic securities market on which the Shares (or equivalent shares of Common Stock underlying the Warrant) are listed, whichever is applicable, as published in *The Wall Street Journal* for the ten (10) trading days prior to the date of determination of fair market value (or such shorter period of time during which such Shares were traded over-the-counter or on such exchange). In the event that this Warrant is exercised pursuant to this Section 4 in connection with the Initial Public Offering, the fair market value per Share shall be the product of (a) the per share offering price to the public of the Initial Public Offering, and (b) the number of shares of Common Stock into which each Share is convertible at the time of such exercise. If the Shares are not traded on the over-the-counter market, an exchange or an electronic securities market, the fair market value shall be the price per Share that the Company could obtain from a willing buyer for Shares sold by the Company from authorized but unissued Shares, as such prices shall be determined in good faith by the Company' s Board of Directors.

5. Further Limitations on Disposition; Legends.

(a) Holder agrees not to make any disposition of all or any portion of the Shares unless and until the transferee has agreed in writing for the benefit of the Company to be bound by the terms of this Warrant, including, without limitation, this Section 5 and that certain Series A Preferred Stock Purchase Agreement (the "Purchase Agreement") of even date herewith between the Company and certain Investors (as defined therein), and:

(i) there is then in effect a registration statement under the Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii) the Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and if reasonably requested by the Company, the Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such shares under the Act. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144 except in extraordinary circumstances.

(b) Legends. It is understood that the Securities may bear the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT."

6. State Commissioners of Corporations. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS WARRANT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION FOR SUCH SECURITIES PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS WARRANT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

7. Covenants as to Exercise Shares. The Company covenants and agrees that all Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance in accordance with the terms hereof, be validly issued and outstanding, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issuance thereof. The Company further covenants and agrees that the Company will at all times while this Warrant is exercisable pursuant to Section 2 above, have authorized and reserved, free from preemptive rights, a sufficient number of shares of Series A Preferred Stock to provide for the exercise of the rights represented by this Warrant and a number of shares of Common Stock to provide for the conversion of such shares of Series A Preferred Stock. If at any time while this Warrant is

exercisable pursuant to Section 2 above the number of authorized but unissued shares of Series A Preferred Stock shall not be sufficient to permit exercise of this Warrant (or the number of authorized buy unissued shares of Common Stock shall not be sufficient to permit conversion of such shares of Series A Preferred Stock), the Company will take all such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Series A Preferred Stock or Common Stock, as applicable, to such number of shares as shall be sufficient for such purposes.

8. Adjustment of Exercise Price and Number of Shares. The number and kind of Shares purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) Subdivisions, Combinations and Other Issuances. If the Company shall at any time after the issuance but prior to the expiration of this Warrant subdivide its Series A Preferred Stock, by split-up or otherwise, or combine its Series A Preferred Stock, or issue additional shares of its Series A Preferred Stock or Common Stock as a dividend with respect to any shares of its Series A Preferred Stock, the number of Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the Exercise Price payable per share, but the aggregate Exercise Price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 8(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) Reclassification, Reorganization and Consolidation. In case of any reclassification, capital reorganization or change in the capital stock of the Company (other than as a result of a subdivision, combination or stock dividend provided for in Section 8(a) above), then, as a condition of such reclassification, reorganization or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities or property receivable in connection with such reclassification, reorganization or change by a holder of the same number and type of securities as were purchasable as Shares by the Holder immediately prior to such reclassification, reorganization or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities or property deliverable upon exercise hereof, and appropriate adjustments shall be made to the Exercise Price per Share payable hereunder, provided the aggregate Exercise Price shall remain the same.

(c) Notice of Adjustment. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Exercise Price, the Company shall promptly notify the Holder of such event and of the number of Shares or other securities or property thereafter purchasable upon exercise of this Warrant.

(d) Conversion of Series A Preferred Stock. In the event that all outstanding shares of Series A Preferred Stock are converted to Common Stock, or any other security, in accordance with the terms of the Company' s Amended and Restated Certificate of Incorporation, this Warrant shall become exercisable for Common Stock or such other security.

9. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

10. No Stockholder Rights. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a stockholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and, except as otherwise provided in this Warrant, such Holder shall not be entitled to any stockholder notice or other communication concerning the business or affairs of the Company as a result of being the Holder of this Warrant.

11. Transfer of Warrant. This Warrant is not transferable by the Holder and any attempted transfer shall be void; provided however that Holder may transfer this Warrant to any of its direct or indirect wholly-owned subsidiaries.

12. Governing Law. This Warrant shall be governed by and construed under the laws of the State of California as applied to agreements among California residents, made and to be performed entirely within the State of California.

13. Successors and Assigns. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the holders hereof and their respective successors and assigns.

14. Titles and Subtitles. The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Warrant.

15. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by electronic mail if also confirmed by facsimile sent during normal business hours of the recipient, effective as of the delivery of the facsimile; if not sent via facsimile during normal business hours, 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 to the respective parties at the following addresses (or at such other addresses as shall be specified by notice given in accordance with this Section 15):

If to the Company:

**HORTONWORKS, INC.**
455 West Maude Avenue, Suite 200
Sunnyvale, California 94085
Attention: President

If to Holder:

**YAHOO! INC.**
701 First Avenue
Sunnyvale, California 94089
Attention: Chief Financial Officer

16. Expenses. Subject to Section 6.15 of the Purchase Agreement, if any action at law or in equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

17. Entire Agreement; Amendments and Waivers. This Warrant and any other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. Nonetheless, any term of this Warrant may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder.

18. Severability. If any provision of this Warrant is held to be unenforceable under applicable law, such provision shall be excluded from this Warrant and the balance of the Warrant shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Warrant as of the date first written above.

**HORTONWORKS, INC.**

By: /s/ Rob Bearden
Name: Rob Bearden
Title: President

**ACKNOWLEDGED AND AGREED:**

**YAHOO! INC.**

By: /s/ Timothy R. Morse
Timothy R. Morse
Chief Financial Officer

**Exhibit A**

**Commercial Agreement**

[See Exhibit 10.7 to the Registration Statement]

## NOTICE OF EXERCISE

**HORTONWORKS, INC.**
Attention: Corporate Secretary

The undersigned hereby elects to purchase, pursuant to the provisions of the Warrant, as follows:

- ☐ _____ shares of Series A Preferred Stock pursuant to the terms of the attached Warrant, and tenders herewith payment in cash of the Exercise Price of such Shares in full, together with all applicable transfer taxes, if any.
- ☐ Net Exercise the attached Warrant with respect to Shares.

The undersigned hereby represents and warrants that Representations and Warranties in Section 3 of that certain Series A Preferred Stock Purchase Agreement dated as of June 21, 2011 by and between the Company and the investors set forth therein are true and correct as of the date hereof.

**HOLDER:**

Date: _____

By: _____

Address: _____

_____

_____

Name in which shares should be registered:

_____

**Exhibit 4.4**

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

| Date of Issuance | Void after |
|---|---|
| June 9, 2014 | June 9, 2023 |

**HORTONWORKS, INC.**
**WARRANT TO PURCHASE SHARES OF COMMON STOCK**

For valid consideration, the receipt and sufficiency of which is hereby acknowledged, this Warrant is issued to Yahoo! Inc., a Delaware corporation (the "Holder"), by Hortonworks, Inc., a Delaware corporation (the "Company").

1. Purchase of Shares.

(a) Number of Shares. Subject to the terms and conditions set forth herein, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the Holder in writing), to purchase from the Company up to a number of fully paid and nonassessable shares of the Company' s Common Stock, par value $0.0001 per share (the "Common Stock") equal to 1% of the sum of the following: (i) 91,170,992, plus (ii) the number of shares of Series D Preferred Stock or Series D Preferred Stock issuable upon exercise of warrants to purchase Series D Preferred Stock (on an as converted to Common Stock basis) that are sold (if any) by the Company during the period commencing on the date hereof and ending immediately prior to the occurrence of a Corporate Transaction (as defined below).

(b) Exercise Price. The exercise price for the shares of Common Stock issuable upon exercise of this Warrant (the "Shares") shall be $4.23 per share (the "Exercise Price"). The Shares and the Exercise Price shall be subject to adjustment pursuant to Section 8 hereof.

2. Exercise Period. Upon the occurrence of a Corporate Transaction (as defined below) (the "Vesting Date"), the Warrant shall become exercisable and, if the Warrant becomes exercisable, it shall remain exercisable until June 9, 2023 (the "Expiration Date"). Notwithstanding the foregoing, in the event of a Corporate Transaction that is a Liquidation Event (other than a Liquidation Event where the consideration is stock that is not tradable on a national securities exchange), this Warrant shall automatically be deemed to be exercised for all shares in the manner set forth in Section 3, without any further action on behalf of the Holder immediately prior to the closing of such Liquidation Event. A "Corporate Transaction" means

the earlier of (i) the consummation of the Company' s first sale of its Common Stock or other securities pursuant to a registration statement under the Securities Act of 1933, as amended (other than a registration statement relating either to the sale of securities to employees of the Company pursuant to a stock option, stock purchase or similar plan or a SEC Rule 145 transaction) (the "Initial Public Offering") and (ii) the consummation of a Liquidation Event, as such term is defined in the Company' s then current Amended and Restated Certificate of Incorporation on file with the Secretary of State of the State of Delaware (a "Liquidation Event").

3. Method of Exercise.

(a) If the Warrant becomes exercisable in accordance with Section 2 above, the Holder may exercise, in whole or in part, the purchase rights evidenced hereby at any time prior to the Expiration Date. Such exercise shall be effected by:

(i) the surrender of the Warrant, together with a duly executed copy of the Notice of Exercise attached hereto, to the Secretary of the Company at its principal office (or at such other place as the Company shall notify the Holder in writing); and

(ii) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Shares being purchased (unless the exercise is in accordance with Section 4 below).

(b) The exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant is surrendered to the Company as provided in Section 3(a) above. At such time, the person or persons in whose name or names any certificate for the Shares shall be issuable upon such exercise as provided in Section 3(c) below shall be deemed to have become the holder or holders of record of the Shares represented by such certificate.

(c) As soon as practicable after the exercise of this Warrant in whole or in part, the Company at its expense will cause to be issued in the name of, and delivered to, the Holder:

(i) a certificate or certificates for the number of Shares to which such Holder shall be entitled, and

(ii) in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of Shares equal to the number of such Shares described in this Warrant which have vested and are then exercisable minus the number of such Shares purchased by the Holder upon all exercises made in accordance with Section 3(a) above or Section 4 below.

4. Net Exercise. In lieu of exercising this Warrant for cash, the Holder may elect to receive shares equal to the value of this Warrant (or the portion thereof being exercised) by surrender of this Warrant at the principal office of the Company together with notice of such election (a "Net Exercise"). A Holder who Net Exercises shall have the rights described in

Sections 3(b) and 3(c) hereof, and the Company shall issue to such Holder a number of Shares computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where

X = The number of Shares to be issued to the Holder.

Y = The number of Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being cancelled (at the date of such calculation).

A = The fair market value of one (1) Share (at the date of such calculation).

B = The Exercise Price (as adjusted to the date of such calculation).

For purposes of this Section 4, the fair market value of a Share shall mean the average of the closing bid and asked prices of the Shares (or equivalent shares of Common Stock underlying this Warrant) quoted in the over-the-counter market in which the Shares (or equivalent shares of Common Stock underlying the Warrant) are traded or the closing price quoted on any exchange or electronic securities market on which the Shares (or equivalent shares of Common Stock underlying the Warrant) are listed, whichever is applicable, as published in *The Wall Street Journal* for the ten (10) trading days prior to the date of determination of fair market value (or such shorter period of time during which such Shares were traded over-the-counter or on such exchange). In the event that this Warrant is exercised pursuant to this Section 4 in connection with the Initial Public Offering, the fair market value per Share shall be the per share offering price to the public of the Initial Public Offering. If the Shares are not traded on the over-the-counter market, an exchange or an electronic securities market, the fair market value shall be the price per Share that the Company could obtain from a willing buyer for Shares sold by the Company from authorized but unissued Shares, as such prices shall be determined in good faith by the Company' s Board of Directors.

5. Further Limitations on Disposition; Legends.

(a) Holder agrees not to make any disposition of all or any portion of the Shares unless and until the transferee has agreed in writing for the benefit of the Company to be bound by the terms of this Warrant, including, without limitation, this Section 5 and provisions substantially identical to those contained in Section 1.13 of that certain Amended and Restated Investors' Rights Agreement (the "Rights Agreement") of even date herewith between the Company and certain Investors (as defined therein), and:

(i) there is then in effect a registration statement under the Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or

(ii) the Holder shall have notified the Company of the proposed disposition and shall have furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and if reasonably requested by the Company, the Holder shall have furnished the Company with an opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of such shares under the Act. It is agreed that the Company will not require opinions of counsel for transactions made pursuant to Rule 144 except in extraordinary circumstances.

(b) Legends. It is understood that the Securities may bear the following legend:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT."

6. State Commissioners of Corporations. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS WARRANT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION FOR SUCH SECURITIES PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS WARRANT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

7. Covenants as to Exercise Shares. The Company covenants and agrees that all Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance in accordance with the terms hereof, be validly issued and outstanding, fully paid and nonassessable, and free from all taxes, liens and charges with respect to the issuance thereof. The Company further covenants and agrees that the Company will at all times while this Warrant is exercisable pursuant to Section 2 above, have authorized and reserved, free from preemptive rights, a sufficient number of shares of Common Stock to provide for the exercise of the rights represented by this Warrant. If at any time while this Warrant is exercisable pursuant to Section 2 above the number of authorized but unissued shares of Common Stock shall not be sufficient to permit exercise of this Warrant, the Company will take all such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes.

8. Adjustment of Exercise Price and Number of Shares. The number and kind of Shares purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) Subdivisions, Combinations and Other Issuances. If the Company shall at any time after the issuance but prior to the expiration of this Warrant subdivide its Common Stock, by split-up or otherwise, or combine its Common Stock, or issue additional shares of its Common Stock as a dividend with respect to any shares of its Common Stock, the number of Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the Exercise Price payable per share, but the aggregate Exercise Price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 8(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) Reclassification, Reorganization and Consolidation. In case of any reclassification, capital reorganization or change in the capital stock of the Company (other than as a result of a subdivision, combination or stock dividend provided for in Section 8(a) above), then, as a condition of such reclassification, reorganization or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities or property receivable in connection with such reclassification, reorganization or change by a holder of the same number and type of securities as were purchasable as Shares by the Holder immediately prior to such reclassification, reorganization or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities or property deliverable upon exercise hereof, and appropriate adjustments shall be made to the Exercise Price per Share payable hereunder, provided the aggregate Exercise Price shall remain the same.

(c) Notice of Adjustment. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Exercise Price, the Company shall promptly notify the Holder of such event and of the number of Shares or other securities or property thereafter purchasable upon exercise of this Warrant.

9. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor on the basis of the Exercise Price then in effect.

10. No Stockholder Rights. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a stockholder with respect to the Shares, including (without limitation) the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of stockholder meetings, and, except as otherwise provided in this Warrant, such Holder shall not be entitled to any stockholder notice or other communication concerning the business or affairs of the Company as a result of being the Holder of this Warrant.

11. Transfer of Warrant. This Warrant is not transferable by the Holder and any attempted transfer shall be void; provided however that Holder may transfer this Warrant to any of its direct or indirect wholly-owned subsidiaries.

12. Governing Law. This Warrant shall be governed by and construed under the laws of the State of California as applied to agreements among California residents, made and to be performed entirely within the State of California.

13. Successors and Assigns. The terms and provisions of this Warrant shall inure to the benefit of, and be binding upon, the Company and the holders hereof and their respective successors and assigns.

14. Titles and Subtitles. The titles and subtitles used in this Warrant are used for convenience only and are not to be considered in construing or interpreting this Warrant.

15. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by electronic mail if also confirmed by facsimile sent during normal business hours of the recipient, effective as of the delivery of the facsimile; if not sent via facsimile during normal business hours, 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 to the respective parties at the following addresses (or at such other addresses as shall be specified by notice given in accordance with this Section 15):

If to the Company:

**HORTONWORKS, INC.**
3460 W. Bayshore Road
Palo Alto, CA 94303
Attention: Chief Financial Officer

If to Holder:

**YAHOO! INC.**
701 First Avenue
Sunnyvale, California 94089
Attention: Chief Financial Officer

16. Expenses. Subject to Section 3.10 of the Rights Agreement, if any action at law or in equity is necessary to enforce or interpret the terms of this Warrant, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

17. Entire Agreement; Amendments and Waivers. This Warrant and any other documents delivered pursuant hereto constitute the full and entire understanding and agreement

between the parties with regard to the subjects hereof and thereof. Nonetheless, any term of this Warrant may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder.

18. Severability. If any provision of this Warrant is held to be unenforceable under applicable law, such provision shall be excluded from this Warrant and the balance of the Warrant shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Warrant as of the date first written above.

**HORTONWORKS, INC.**

By: /s/ Rob Bearden

Name: Rob Bearden

Title: Chief Executive Officer

**ACKNOWLEDGED AND AGREED:**

**YAHOO! INC.**

By: /s/ Jacqueline D. Reses

Name: Jacqueline D. Reses

Title: Chief Development Officer

## NOTICE OF EXERCISE

**HORTONWORKS, INC.**
Attention: Corporate Secretary

The undersigned hereby elects to purchase, pursuant to the provisions of the Warrant, as follows:

- ☐ _____ shares of Common Stock pursuant to the terms of the attached Warrant, and tenders herewith payment in cash of the Exercise Price of such Shares in full, together with all applicable transfer taxes, if any.
- ☐ Net Exercise the attached Warrant with respect to Shares.

The undersigned hereby represents and warrants that Representations and Warranties in Section 5 of that certain Warrant Purchase Agreement dated as of June , 2014 by and between the Company and the investors set forth therein are true and correct as of the date hereof.

**HOLDER:**

Date: _____ By: _____

Address: _____

_____

_____

Name in which shares should be registered:

_____

**Exhibit 4.5**

# ALLOCATION AGREEMENT

This ALLOCATION AGREEMENT (the "**Agreement**") is made and entered into as of March 24, 2014, by and among Hortonworks, Inc., a Delaware corporation (the "**Company**") and Passport Capital, LLC (the "**Investor**"). All capitalized terms not otherwise defined shall have the respective meanings ascribed thereto in Section 4.

WHEREAS, concurrently with the execution of this Agreement, (i) the Company and (ii) Passport and certain other investors (collectively, the "**Series D Investors**") are executing a Series D Preferred Stock Purchase Agreement (the "**Series D Agreement**") pursuant to which the Series D Investors are agreeing to purchase shares of the Company' s Series D Preferred Stock (the "**Series D Stock**");

WHEREAS, the Investor is acting as a lead investor in connection with the sale of the shares of Series D Stock by the Company pursuant to the Series D Agreement (the "**Series D Financing**");

WHEREAS, in consideration of the Investor acting as a lead investor in the Series D Financing, the Company agrees to make certain arrangements to allow the Investor to participate in a future offering of the Company' s Common Stock in accordance with the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other good and valuable consideration, the parties hereto agree as follows:

1. Allocation of Shares and Private Placement Right.

1.1 Allocation. Subject to the requirements of the Securities Laws and Regulations and subject to the other provisions of this Agreement (including, without limitation, Section 1.2 below), the Company agrees to use its reasonable best efforts to cause the managing underwriters of any Qualified Initial Public Offering to allocate to the Investor such number of shares, up to the Investor Maximum Allocated Shares, as the Investor desires to purchase, on the terms set forth in this Agreement. The shares of Common Stock so offered shall be offered on the same terms and at the same price at which they are being offered to the public pursuant to the Company' s registration statement with respect to the Qualified Initial Public Offering. The Investor shall be entitled to apportion the rights granted pursuant to Sections 1.1 through 1.5 hereof among itself and its partners and Affiliates in such proportions as it deems appropriate.

1.2 Managing Underwriters' Limitation Right. Notwithstanding the foregoing, in the event that the managing underwriters of the Qualified Initial Public Offering determine, in good faith, that the purchase of the Investor Maximum Allocated Shares by the Investor would be detrimental to the Qualified Initial Public Offering, then the managing underwriters may, in their sole discretion, by written notice delivered to the Company and the Investor, reduce the number of Investor Maximum Allocated Shares to be allocated to the Investor for purchase in the Qualified Initial Public Offering to such number of shares as the underwriters, in good faith, determine is appropriate to ensure the success of the Qualified Initial Public Offering (any such reduced amount, the "**Adjusted Investor Maximum Allocated Shares**") (which amount may, for the avoidance of doubt, be equal to zero if determined to be appropriate by the managing

underwriters). In no event shall the number of Investor Maximum Allocated Shares to be allocated to the Investor for purchase in the Qualified Initial Public Offering pursuant to this Agreement be reduced unless (i) all other shares proposed by the Company to be allocated to any other issuer-directed purchaser in the Qualified Initial Public Offering (including as part of any directed share program) have been reduced to zero and (ii) the Company' s board of directors has consulted with the managing underwriters for the Qualified Initial Public Offering and the board of directors also concludes, acting in good faith, that such reduction is appropriate to ensure the success of the Qualified Initial Public Offering. Notwithstanding the foregoing, in the event that the Adjusted Investor Maximum Allocated Shares for the Investor is less than 5.0% of the total number of shares sold in the Qualified Initial Public Offering (excluding any shares sold or to be sold pursuant to any over-allotment or green shoe option) whether sold by the Company or by selling stockholders (the "**Allocation Minimum**"), then in such event, the Investor (so long as the Investor is an "accredited investor" within the meaning of Rule 501 under the Act) shall have the right to purchase in the Private Placement (as defined below) the number of shares of the Company' s Common Stock as shall equal the difference between the number of Investor Maximum Allocated Shares and the number of Adjusted Investor Maximum Allocated Shares, if any (the "**Partial Private Placement Shares**") at a price per share equal to the price to the public in the Qualified Initial Public Offering, and subject to the other terms and conditions provided in Section 1.7 below. For purposes of clarification, if the Adjusted Investor Maximum Allocated Shares is greater than or equal to Allocation Minimum, then the Investor shall have no right to purchase the Partial Private Placement Shares in the Private Placement pursuant to this Agreement.

1.3 Notice of Qualified Initial Public Offering. Promptly after the Company first publicly files with the SEC a registration statement covering shares of its Common Stock for a Qualified Initial Public Offering (not including any confidential submissions of draft registration statements pursuant to the Jumpstart Our Business Startups Act of 2012, as amended from time to time), the Company will notify the Investor in writing (the "**Offering Notice**") of the Company' s intent to undertake the Qualified Initial Public Offering, which Offering Notice shall be provided even if a representative designated by the Investor as an observer to attend meetings of the Company' s board of directors shall have previously received similar information. Such Offering Notice shall include a copy of the publicly-filed registration statement as filed with the SEC and shall set forth the anticipated schedule for such Qualified Initial Public Offering, including (i) the approximate date that the Company expects to print and distribute preliminary prospectuses relating to the Qualified Initial Public Offering, (ii) the anticipated date on which the Company and the managing underwriters will begin the marketing effort generally known as the "road show", (iii) the anticipated date that the shares to be included in the Qualified Initial Public Offering will be first offered to the public, (iv) a range of valuations within which the pricing of the shares to be offered in the Qualified Initial Public Offering may occur, (v) the anticipated closing date of the Qualified Initial Public Offering and (vi) if known at the time of such Offering Notice, the Adjusted Investor Maximum Allocated Shares to be allocated to the Investor, if less than the Investor Maximum Allocated Shares. The Company and the Investor acknowledge that the schedule and any valuation ranges in such Offering Notice will be based upon the Company' s reasonable best estimate of the timing of the Qualified Initial Public Offering and the expected valuation of the Company, but that such schedule and such valuation are subject to substantial revision based upon market conditions, disclosure issues that may arise during the preparation of the registration statement, interaction with the SEC regarding the

registration statement and other factors. The Company may periodically provide written updates regarding the schedule and valuation range provided to the Investor as well as the Adjusted Investor Maximum Allocated Shares as the process for the Qualified Initial Public Offering progresses.

1.4 Preliminary Indication of Interest. No later than five (5) business days prior to the date specified in the Offering Notice (as updated from time to time by the Company in writing) on which the Company expects to begin distribution of preliminary prospectuses relating to the Qualified Initial Public Offering (the "**Response Period**"), the Investor may provide to the Company and the managing underwriters for the Qualified Initial Public Offering a written statement setting forth the aggregate dollar amount that the Investor is interested in purchasing in the Qualified Initial Public Offering. The Company and the Investor acknowledge that this indication of interest is not intended to be an offer to purchase from the Investor, but merely an indication of interest to assist the Company and the managing underwriters in structuring the Qualified Initial Public Offering and preparing appropriate disclosure in the registration statement. The failure by the Investor to notify the Company and the managing underwriters within the Response Period of its interest in purchasing shares in the Qualified Initial Public Offering shall terminate the Investor' s right to purchase shares in the Qualified Initial Public Offering and pursuant to the Private Placement (as defined below), unless the Qualified Initial Public Offering is not completed within one hundred eighty (180) days of the Offering Notice.

1.5 Final Indication of Interest. No later than the time at which the managing underwriters for the Qualified Initial Public Offering obtain from potential purchasers their final indications of interest just prior to the pricing of the Qualified Initial Public Offering, the Investor may provide to the Company and the managing underwriters the Investor' s final indication of interest setting forth the number of shares the Investor is interested in purchasing in the Qualified Initial Public Offering (which number of shares may be more than, less than or equal to the number of shares represented by the dollar amount set forth in the written statement provided by the Investor pursuant to Section 1.4 above).

1.6 Compliance with Securities Laws and Regulations. Notwithstanding anything to the contrary contained in this Agreement, the Company is not undertaking the obligation to commit any act in violation of the Securities Laws and Regulations or any other laws, rules and regulations applicable to the Qualified Initial Public Offering. In the event that, (i) by reason of the provisions of this Section 1, in the Company' s reasonable judgment, based on the advice of securities counsel for the Company and concurred in by counsel for the managing underwriters, there would be any conflict with any Securities Laws and Regulations or other legal impediment or legal requirement which would prevent or materially delay the consummation of or unreasonably interfere with either the Qualified Initial Public Offering or the purchase of shares of Common Stock as contemplated in Sections 1.1 through 1.5 hereof or (ii) the Qualified Initial Public Offering shall occur within 12 months of the date hereof, then the Investor shall not have any rights under Sections 1.1 through 1.5 hereof.

1.7 Private Placement Right. In the event that (i) the Investor is not entitled to purchase a number of shares of Common Stock in the Qualified Initial Public Offering that is equal to or greater than the number of Adjusted Investor Maximum Allocated Shares

(determined in accordance with Section 1.2) because any such purchase is prevented, in whole or in part, by operation of Section 1.6 above, or (ii) the number of Adjusted Investor Maximum Allocated Shares is less than the Allocation Minimum, then in either case, the Investor shall instead have the right, but not the obligation (so long as the Investor is an "accredited investor" within the meaning of Rule 501 under the Act) to purchase from the Company, in a separate and contemporaneous private placement transaction exempt from registration with the SEC (a "**Private Placement**"), a number of shares of Common Stock as shall equal the difference between (x) the number of Investor Maximum Allocated Shares and (y) the number of shares of Common Stock that the Investor actually purchases in the Qualified Initial Public Offering (the "**Private Placement Shares**"), at a price per share equal to the price to the public in the Qualified Initial Public Offering. In the event that any such right of the Investor to purchase shares in the Private Placement arises, the Company shall deliver written notice to the Investor containing all of the information required to be included in an Offering Notice pursuant to Section 1.3 hereto, as well as, in the event such right arose pursuant to clause (i) of Section 1.6, a summary of the basis for the Company' s conclusion that there would be any conflict with any Securities Laws and Regulations or other legal impediment or legal requirement which would prevent or materially delay the consummation of or unreasonably interfere with either the Qualified Initial Public Offering or the purchase shares of Common Stock as contemplated in Sections 1.1 through 1.5 hereof (the "**Private Placement Notice**"). The Investor shall inform the Company in writing of its desire to purchase all of the Private Placement Shares or not to participate in the Private Placement at all. If the Investor does not so inform the Company within five business days following the date of the Private Placement Notice, then the Private Placement shall not occur and the Company, on the one hand, and the Investor, on the other hand, shall have no liability or obligation to one another in connection therewith. Notwithstanding anything to the contrary contained in this Agreement, in the event that any such Private Placement would, in the Company' s reasonable judgment, based on the advice of securities counsel for the Company and concurred in by counsel for the managing underwriters, be deemed invalid as a private placement under the Act for any reason (including but not limited to by reason of the doctrine of "integration" with the Qualified Initial Public Offering) or would otherwise conflict with any Securities Laws and Regulations or give rise to any other legal impediment or legal requirement that would prevent or materially delay the consummation of or unreasonably interfere with the Qualified Initial Public Offering, then the Private Placement shall not occur and the Company, on the one hand, and the Investor, on the other hand, shall have no liability or obligation to one another in connection therewith. The Investor shall be entitled to apportion the rights granted pursuant to this Section 1.7 among itself and its partners, Affiliates and other aforementioned persons in such proportions as it deems appropriate.

1.8 Closing(s). The closing of the Investor' s purchase of shares in the Qualified Initial Public Offering or the Private Placement, as applicable pursuant to this Agreement shall take place simultaneously with the closing of the Company' s sale of shares to the underwriters in the Qualified Initial Public Offering. The Investor agrees to sign such reasonable and customary documents, and take such other reasonable and customary actions as the Company and, to the extent that the Investor purchases shares in the Qualified Initial Public Offering, the managing underwriters of the Qualified Initial Public Offering may reasonably request, in connection with such closing. To the extent that the Investor purchases shares in the Qualified Initial Public Offering pursuant to this Agreement, the Investor shall comply with all requirements and procedures ordinarily required by the managing underwriters of the Qualified Initial Public Offering of purchasers participating in a directed share program, if any, or of purchasers in the Qualified Initial Public Offering generally.

1.9 Conditionality. The right of the Investor to purchase shares in the Qualified Initial Public Offering under this Section 1, and the right of the Investor to purchase shares in the Private Placement under this Section 1 shall be conditioned, in each case, upon the completion of the Qualified Initial Public Offering. The Company may withdraw any registration statement for a Qualified Initial Public Offering at any time without thereby incurring any liability to the Investor or any permitted assignee of the Investor or other party that has been apportioned rights hereunder.

1.10 Rights and Restrictions. Any shares purchased by the Investor in the Qualified Initial Public Offering or the Private Placement, as applicable, shall not be entitled to any registration rights and shall not be deemed to be "Registrable Securities" as such term is defined in Section 1.1 of the Investors' Rights Agreement.

2. Qualified Initial Public Offering Only. For the avoidance of doubt, the right of the Investor to purchase shares in the Qualified Initial Public Offering under this Agreement, and the right of the Investor to purchase shares in the Private Placement under this Agreement, as applicable, shall, in each case, only be applicable to the Qualified Initial Public Offering (and any Private Placement in connection therewith) and not to any other offering of securities by the Company, either before or after the consummation of the Qualified Initial Public Offering, unless the Company elects, in its sole discretion, to offer such a right to the Investor. In the event that the Company undertakes to offer securities pursuant to a firm commitment underwritten public offering under the Act that does not qualify as a Qualified Initial Public Offering, the Investor shall have no rights or obligations under this Agreement in respect of, or as a result of, such offering, including without limitation, the rights and obligations described in Section 1 above, but this Agreement and all rights and obligations hereunder shall remain in full force and effect until terminated pursuant to Section 5.7 below.

3. Market Stand-Off.

3.1 Market Stand-Off Terms. The Investor hereby agrees that it will not, without the prior written consent of the managing underwriters of the Qualified Initial Public Offering, during the period commencing on the date of the final prospectus relating to the Qualified Initial Public Offering and ending on the date specified by the Company and the managing underwriters (such period not to exceed one hundred eighty (l80) days) (i) lend, 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, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock acquired by the Investor pursuant to this Agreement, whether acquired in the Qualified Initial Public Offering or pursuant to the Private Placement ("**Directed Shares**"), or (ii) 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 Directed Shares, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise. The foregoing provisions of this Section 3.1 shall apply only to the Directed Shares and shall not apply to (i) the sale of any shares by the Investor to an underwriter pursuant to an underwriting agreement, (ii) any shares of Common Stock acquired

by the Investor (or any of Investor' s Affiliates) in (x) the Qualified Initial Public Offering but not pursuant to this Agreement and (y) open market transactions following the consummation of the Qualified Initial Public Offering, or (iii) any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock, in each case held by the Investor immediately prior to the effectiveness of the registration statement for the Qualified Initial Public Offering and which are subject to Section 1.13 of the Investors' Rights Agreement. The underwriters in connection with the Company' s Qualified Initial Public Offering are intended third party beneficiaries of this Section 3.1 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Directed Shares until the end of such period. Any discretionary waiver or termination of the restrictions of any similar "market stand-off" or "lock-up" agreements entered into by the Company or the underwriters with securityholders of the Company shall apply to all such agreements and this Agreement pro rata based on the number of shares subject to such agreements and this Agreement, as applicable. Notwithstanding the foregoing, if (i) during the last seventeen (17) days of the one hundred eighty (180)-day restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs; or (ii) prior to the expiration of the one hundred eighty (180)-day restricted period, the Company announces that it will release earnings results during the sixteen (16)-day period beginning on the last day of the one hundred eighty (180)-day period, the restrictions imposed by this Section 3.1 shall continue to apply until the expiration of the eighteen (18)-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

3.2 Legend. In order to enforce the foregoing covenant, the Company shall have the right to place the following restrictive legend on the certificates representing the shares subject to this section and to impose stop transfer instructions with respect to such shares until the end of such period:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD AFTER THE EFFECTIVE DATE OF THE ISSUER' S REGISTRATION STATEMENT FILED UNDER THE ACT, AS AMENDED, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE ISSUER' S PRINCIPAL OFFICE. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES.

3.3 Additional Agreement. The Investor further agrees to enter into any agreement reasonably required by the underwriters to implement the foregoing within any reasonable time frame so requested.

4. Certain Defined Terms. In addition to the terms defined above, the following terms shall have the following meanings:

"**Act**" means the Securities Act of 1933, as amended.

"**Affiliate**" means, with respect to any specified person, any other person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified person, including, without limitation, any direct or indirect subsidiary of such person that is at least 50% controlled by such person, general partner, officer, director or manager of such person and any venture capital or other investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or is under common investment management with, such person.

"**Common Stock**" means the Company' s common stock, par value $0.0001 per share.

"**FINRA**" means the Financial Industry Regulatory Authority, Inc. and any successor organizations or entities thereto.

"**Investor Maximum Allocated Shares**" means 7.5% of the total number of shares sold in the Qualified Initial Public Offering (excluding any shares sold or to be sold pursuant to any over-allotment or green shoe option) whether sold by the Company or by selling stockholders.

"**Investors' Rights Agreement**" shall mean that certain Amended and Restated Investors' Rights Agreement dated the same date as this Agreement among the Company, the Series D Investors and certain other parties thereto, as amended from time to time.

"**1934 Act**" means the Securities Exchange Act of 1934, as amended.

"**Qualified Initial Public Offering**" means the Company' s first firm commitment underwritten public offering of its Common Stock under the Act, provided that such offering results in aggregate gross cash proceeds to the Company of not less than $100,000,000 in the aggregate (expressly including any amounts invested or to be invested by the Investor in the Qualified Initial Public Offering or the Private Placement pursuant to this Agreement).

"**register**," "**registered,**" and "**registration**" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

"**SEC**" means the Securities and Exchange Commission.

"**Securities Laws and Regulations**" means (i) all applicable federal, state or other securities laws (including but not limited to the Act, as amended from time to time, and the rules and regulation from time to time promulgated thereunder, the 1934 Act, as amended from time to time, and the rules and regulation from time to time promulgated thereunder or the rules and regulations of any securities exchange) and (ii) all rules and regulations of FINRA or any other self-regulatory organization that are applicable to the Company, the Investor or any underwriter participating in the Qualified Initial Public Offering, as applicable.

5. Miscellaneous.

5.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended

to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. Notwithstanding the foregoing, the rights of Passport are assignable by Passport, in whole or in part, only to one or more Affiliates of Passport, and in each case, (i) only to the extent that any such assignment is in compliance with all applicable securities laws, rules and regulations and (ii) only if (x) the Company is, within a reasonable time prior to such transfer, furnished with written notice of the name and address of each such proposed assignee or assignees and (y) each such proposed assignee or assignees agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including without limitation, Section 3 hereof.

5.2 Governing Law. Subject to Section 5.11 below, this Agreement shall be governed by and construed under the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California.

5.3 Counterparts. This Agreement may be executed and delivered by facsimile or electronic signature (including pdf) and in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument.

5.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

5.5 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given upon the earlier to occur of actual receipt or: (a) upon personal delivery to the party to be notified, (b) when sent by electronic mail if also confirmed by facsimile sent during normal business hours of the recipient, effective as of the delivery of the facsimile; if not sent via facsimile during normal business hours, 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 to the respective parties at the addresses set forth on the signature pages attached hereto (or at such other addresses as shall be specified by notice given in accordance with this Section 5.5).

5.6 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

5.7 Termination. This Agreement, and all rights and obligations hereunder, shall terminate automatically and without further notice: (i) upon the consummation of a Qualified Initial Public Offering; (ii) upon the consummation of an initial public offering: (x) that is not a Qualified Initial Public Offering, (y) where the Investor and its Affiliates convert all shares of Series D Stock then held by them into Common Stock prior to such offering and (z) the Investor is granted the right to participate in such offering or a concurrent private placement on the same terms and conditions as set forth in this Agreement; (iii) in the event that the Investor and its Affiliates and their respective successors and permitted assigns collectively cease for any reason to continue to hold at least 50% of the shares of Series D Stock that the Investor and its Affiliates

originally purchase in the Series D Financing; or (iv) upon the consummation of any "Liquidation Event" (as such is defined in the Company' s Amended and Restated Certificate of Incorporation, as the same may be amended, supplemented or otherwise modified from time to time).

5.8 Entire Agreement; Amendments and Waivers. This Agreement and the other documents executed in connection with the Series D Financing constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof and supersede any and all prior understandings and agreements, written or oral, between or among the parties hereto with respect to the specific subject matter hereof. Any term of this Agreement may be amended only with the written consent of the Company and the Investor. The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the party making the waiver.

5.9 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

5.10 Aggregation of Stock. All shares of Series D Stock held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

5.11 Dispute Resolution. Any unresolved controversy or claim arising out of or relating to this Agreement shall be submitted to arbitration by one arbitrator mutually agreed upon by the parties, and if no agreement can be reached within thirty (30) days after names of potential arbitrators have been proposed by the American Arbitration Association (the "**AAA**"), then by one arbitrator having reasonable experience in corporate finance transactions of the type provided for in this Agreement and who is chosen by the AAA. The arbitration shall take place in the State of California, County of San Mateo, in accordance with the AAA rules then in effect, and judgment upon any award rendered in such arbitration will be binding and may be entered in any court having jurisdiction thereof. There shall be limited discovery prior to the arbitration hearing as follows: (a) exchange of witness lists and copies of documentary evidence and documents relating to or arising out of the issues to be arbitrated, (b) depositions of all party witnesses and (c) such other depositions as may be allowed by the arbitrators upon a showing of good cause. Depositions shall be conducted in accordance with Section 5.2 hereof, the arbitrator shall be required to provide in writing to the parties the basis for the award or order of such arbitrator, and a court reporter shall record all hearings, with such record constituting the official transcript of such proceedings. The prevailing party shall be entitled to reasonable attorney' s fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

*(Remainder of page intentionally left blank)*

IN WITNESS WHEREOF, the parties have executed this Allocation Agreement as of the date first above written.

**COMPANY:**

**HORTONWORKS, INC.**

By: /s/ Rob Bearden

Name: Rob Bearden

Title: Chief Executive Officer

Address: 3460 West Bayshore Road
Palo Alto, CA 94303

IN WITNESS WHEREOF, the parties have executed this Allocation Agreement as of the date first above written.

**INVESTOR:**

**PASSPORT CAPITAL, LLC**

By: /s/ Joanne Cormican

Name: Joanne Cormican
Title: Chief Operating Officer

**Exhibit 10.1**

# INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of by and between Hortonworks, Inc., a Delaware corporation (the "Company"), and ("Indemnitee").

## RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide or continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Certificate of Incorporation (the "Charter") and the Bylaws (the "Bylaws") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL");

WHEREAS, the Charter, the Bylaws 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 of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company' s stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or the Bylaws, so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter, the Bylaws 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 has certain rights to indemnification and/or insurance provided by [Name of Fund/Sponsor] which Indemnitee and [Name of Fund/Sponsor] intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided in this Agreement, with the Company' s acknowledgment and agreement to the foregoing being a material condition to Indemnitee' s willingness to serve or continue to serve on the Board.]

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as a director of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) "Change in Control" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company' s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company' s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

(b) "Corporate Status" describes the status of a person as a current or former director of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(c) "Enforcement Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(d) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee, including without limitation, any subsidiary of the Company.

(e) "Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise

participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(f) "Independent Counsel" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; 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 and expenses 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.

(g) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as a director of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term "Proceeding" shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee' s rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "Delaware Court") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful 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 Indemnitee or on his or her 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.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise[; provided that the foregoing shall not affect the rights of Indemnitee or the Fund Indemnitors as set forth in Section 13(c)];

(b) to indemnify 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, or similar provisions of state statutory law or common law;

(c) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(c) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(d) to provide any indemnification or advancement of expenses that is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee' s ability to repay the expenses and without regard to Indemnitee' s ultimate entitlement to indemnification under the other provisions of this Agreement. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee' s right to advancement pursuant to Section 12(e) of this Agreement.

Section 9. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably

withheld or delayed) upon the delivery to Indemnitee of written notice of the Company' s election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee' s expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, or (C) the Company shall not continue to retain such counsel to defend such Proceeding, then the fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee' s entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board; or (y) if a Change in Control shall not have occurred: (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; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. 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. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel' s written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination. Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee' s entitlement to

indemnification, including providing to such counsel or the Company, 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 out-of-pocket costs or expenses (including reasonable attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee' s entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board if a Change in Control shall not have occurred or, if a Change in Control shall have occurred, by Indemnitee. Indemnitee or the Company, as the case may be, may, within ten (10) days after written notice of such selection, deliver to the Company or Indemnitee, as the case may be, 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 2 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 such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the 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. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, 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 or she 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 or her conduct was unlawful.

(c) The knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee' s right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, 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.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement 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 Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 13. Non-exclusivity; Survival of Rights; Insurance; [Primacy of Indemnification;] Subrogation.

(a) The rights of indemnification and to receive advancement 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 Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, 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 or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, 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, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, 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 such director, manager, partner, officer, employee, agent or trustee 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 director and officer 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) [The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by [Name of Fund/Sponsor] and certain of [its][their] affiliates (collectively, the "Fund Indemnitors"). The Company hereby agrees (i) that it is the indemnitor of first resort (*i.e.*, its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of this Agreement and the Charter and/or Bylaws (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors, and (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms of this Section 13(c).]

(d) [Except as provided in paragraph (c) above,] [I/i]n 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 [(other than against the Fund Indemnitors)], 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.

(e) [Except as provided in paragraph (c) above,] [T/t]he Company' s obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director of the Company and any other Enterprise for which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement

hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a 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; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment 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 prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

Hortonworks, Inc.
3460 W. Bayshore Rd.
Palo Alto, CA 94303
Attention: Vice President, Legal

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Contribution. To the fullest extent permissible under applicable law, 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 Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise 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 transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. Applicable 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. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in 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, (ii) 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, (iii) consent to service of process at the address set forth in Section 19 of this Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) 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.

Section 23. 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.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

Hortonworks, Inc.

By: _____
Name:
Title:

_____
[Name of Indemnitee]

**INDEMNIFICATION AGREEMENT**

This Indemnification Agreement ("Agreement") is made as of by and between Hortonworks, Inc. a Delaware corporation (the "Company"), and ("Indemnitee").

RECITALS

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide or continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the maximum extent permitted by law;

WHEREAS, the Certificate of Incorporation (the "Charter") and the Bylaws (the "Bylaws") of the Company require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL");

WHEREAS, the Charter, the Bylaws 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 of directors, officers and other persons with respect to indemnification;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining highly qualified persons such as Indemnitee is detrimental to the best interests of the Company' s stockholders;

WHEREAS, it is reasonable and prudent for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law, regardless of any amendment or revocation of the Charter or the Bylaws, so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, this Agreement is a supplement to and in furtherance of the indemnification provided in the Charter, the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as an officer of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee.

Section 2. Definitions.

As used in this Agreement:

(a) "Change in Control" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company' s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company' s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

(b) "Corporate Status" describes the status of a person as a current or former officer of the Company or current or former director, manager, partner, officer, employee, agent or trustee of any other Enterprise which such person is or was serving at the request of the Company.

(c) "Enforcement Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with an action to enforce indemnification or advancement rights, or an appeal from such action. Expenses, however, shall not include fees, salaries, wages or benefits owed to Indemnitee.

(d) "Enterprise" shall mean any corporation (other than the Company), partnership, joint venture, trust, employee benefit plan, limited liability company, or other legal entity of which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee, including without limitation, any subsidiary of the Company.

(e) "Expenses" shall include all reasonable attorneys' fees, court costs, transcript costs, fees of experts, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other out-of-pocket disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding. Expenses, however, shall not include amounts paid in settlement by Indemnitee, the amount of judgments or fines against Indemnitee or fees, salaries, wages or benefits owed to Indemnitee.

(f) "Independent Counsel" means a law firm, or a partner (or, if applicable, member or shareholder) of such a law firm, that is experienced in matters of Delaware corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company, any subsidiary of the Company, any Enterprise or Indemnitee in any matter material to any such party; 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 and expenses 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.

(g) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory or investigative nature, and whether formal or informal, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was an officer of the Company or is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise or by reason of any action taken by Indemnitee or of any action taken on his or her part while acting as an officer of the Company or while serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; provided, however, that the term "Proceeding" shall not include any action, suit or arbitration, or part thereof, initiated by Indemnitee to enforce Indemnitee' s rights under this Agreement as provided for in Section 12(a) of this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee to the extent set forth in this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties, excise taxes, and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee to the extent set forth in this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be

indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery (the "Delaware Court") shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court shall deem proper.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement and except as provided in Section 7, to the extent that Indemnitee is a party to or a participant in any Proceeding and is successful in such Proceeding or in defense of any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful 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 Indemnitee or on his or her 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.

Section 6. Reimbursement for Expenses of a Witness or in Response to a Subpoena. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, (i) is a witness in any Proceeding to which Indemnitee is not a party and is not threatened to be made a party or (ii) receives a subpoena with respect to any Proceeding to which Indemnitee is not a party and is not threatened to be made a party, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Exclusions. Notwithstanding any provision in this Agreement to the contrary, the Company shall not be obligated under this Agreement:

(a) to indemnify for amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such amounts under any insurance policy, contract, agreement or otherwise;

(b) to indemnify 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, or similar provisions of state statutory law or common law;

(c) to indemnify for any reimbursement of, or payment to, the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company pursuant to any formal policy

of the Company adopted by the Board (or a committee thereof), or any other remuneration paid to Indemnitee if it shall be determined by a final judgment or other final adjudication that such remuneration was in violation of law;

(d) to indemnify with respect to any Proceeding, or part thereof, brought by Indemnitee against the Company, any legal entity which it controls, any director or officer thereof or any third party, unless (i) the Board has consented to the initiation of such Proceeding or part thereof and (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; provided, however, that this Section 7(d) shall not apply to (A) counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee or (B) any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought as described in Section 12; or

(e) to provide any indemnification or advancement of expenses that is prohibited by applicable law (as such law exists at the time payment would otherwise be required pursuant to this Agreement).

Section 8. Advancement of Expenses. Subject to Section 9(b), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee' s ability to repay the expenses and without regard to Indemnitee' s ultimate entitlement to indemnification under the other provisions of this Agreement. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement which shall constitute an undertaking providing that Indemnitee undertakes to the fullest extent required by law to repay the advance if and to the extent that it is ultimately determined by a court of competent jurisdiction in a final judgment, not subject to appeal, that Indemnitee is not entitled to be indemnified by the Company. The right to advances under this paragraph shall in all events continue until final disposition of any Proceeding, including any appeal therein. Nothing in this Section 8 shall limit Indemnitee' s right to advancement pursuant to Section 12(e) of this Agreement.

Section 9. Procedure for Notification and Defense of Claim.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request therefor specifying the basis for the claim, the amounts for which Indemnitee is seeking payment under this Agreement, and all documentation related thereto as reasonably requested by the Company.

(b) In the event that the Company shall be obligated hereunder to provide indemnification for or make any advancement of Expenses with respect to any Proceeding, the Company shall be entitled to assume the defense of such Proceeding, or any claim, issue or

matter therein, with counsel approved by Indemnitee (which approval shall not be unreasonably withheld or delayed) upon the delivery to Indemnitee of written notice of the Company' s election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of separate counsel subsequently employed by or on behalf of Indemnitee with respect to the same Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in any such Proceeding at Indemnitee' s expense and (ii) if (A) the employment of separate counsel by Indemnitee has been previously authorized by the Company, (B) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of such defense, or (C) the Company shall not continue to retain such counsel to defend such Proceeding, then the fees and expenses actually and reasonably incurred by Indemnitee with respect to his or her separate counsel shall be Expenses hereunder.

(c) In the event that the Company does not assume the defense in a Proceeding pursuant to paragraph (b) above, then the Company will be entitled to participate in the Proceeding at its own expense.

(d) The Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without its prior written consent (which consent shall not be unreasonably withheld or delayed). The Company shall not, without the prior written consent of Indemnitee (which consent shall not be unreasonably withheld or delayed), enter into any settlement which (i) includes an admission of fault of Indemnitee, any non-monetary remedy imposed on Indemnitee or any monetary damages for which Indemnitee is not wholly and actually indemnified hereunder or (ii) with respect to any Proceeding with respect to which Indemnitee may be or is made a party or may be otherwise entitled to seek indemnification hereunder, does not include the full release of Indemnitee from all liability in respect of such Proceeding.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a), a determination, if such determination is required by applicable law, with respect to Indemnitee' s entitlement to indemnification hereunder shall be made in the specific case by one of the following methods: (x) if a Change in Control shall have occurred and indemnification is being requested by Indemnitee hereunder in his or her capacity as a director of the Company, by Independent Counsel in a written opinion to the Board; or (y) in any other case, (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; or (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board. 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. In the case that such determination is made by Independent Counsel, a copy of Independent Counsel' s written opinion shall be delivered to Indemnitee and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within thirty (30) days after such determination.

Indemnitee shall cooperate with the Independent Counsel or the Company, as applicable, in making such determination with respect to Indemnitee' s entitlement to indemnification, including providing to such counsel or the Company, 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 out-of-pocket costs or expenses (including reasonable attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the Independent Counsel or the Company shall be borne by the Company (irrespective of the determination as to Indemnitee' s entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a), the Independent Counsel shall be selected by the Board; provided that, if a Change in Control shall have occurred and indemnification is being requested by Indemnitee hereunder in his or her capacity as a director of the Company, the Independent Counsel shall be selected by Indemnitee. Indemnitee or the Company, as the case may be, may, within ten (10) days after written notice of such selection, 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 2 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 such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 9(a), and (ii) the final disposition of the Proceeding, including any appeal therein, no Independent Counsel shall have been selected without objection, either Indemnitee or the Company may petition the Delaware Court for resolution of any objection which shall have been made by Indemnitee or the Company to the 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. The person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) To the extent permitted by applicable law, in making a determination with respect to entitlement to indemnification hereunder, it shall be presumed that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty, 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 or she 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 or her conduct was unlawful.

(c) The knowledge and/or actions, or failure to act, of any director, manager, partner, officer, employee, agent or trustee of the Company, any subsidiary of the Company, or any Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(f), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification for which a determination is to be made other than by Independent Counsel, (iv) payment of indemnification or reimbursement of expenses is not made pursuant to Section 5 or 6 or the last sentence of Section 10(a) of this Agreement within thirty (30) days after receipt by the Company of a written request therefor (including any invoices received by Indemnitee, which such invoices may be redacted as necessary to avoid the waiver of any privilege accorded by applicable law) or (v) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within thirty (30) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Delaware Court of his or her entitlement to such indemnification or advancement. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing time limitation shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee' s right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, 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.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against any and all Enforcement 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 Enforcement Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company in the suit for which indemnification or advancement is being sought. Such written request for advancement shall include invoices received by Indemnitee in connection with such Enforcement Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law need not be included with the invoice.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding, including any appeal therein.

Section 13. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement 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 Charter, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, 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 or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in

Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Charter, 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, managers, partners, officers, employees, agents or trustees of the Company or of any other Enterprise, 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 such director, manager, partner, officer, employee, agent or trustee 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 director and officer 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' s obligation to provide indemnification or advancement hereunder to Indemnitee who is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement from such other Enterprise.

Section 14. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as [both a director and] an officer of the Company and any other Enterprise for which Indemnitee is or was serving at the request of the Company as a director, manager, partner, officer, employee, agent or trustee or (b) one (1) year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to continue to serve as an officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer 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; provided, however, that this Agreement is a supplement to and in furtherance of the Charter, the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment, or waiver of any provision, of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver. No supplement, modification or amendment 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 prior to such supplement, modification or amendment.

Section 18. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification, reimbursement or advancement as provided hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise.

Section 19. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) mailed by certified or registered mail with postage prepaid, on the third

business day after the date on which it is so mailed, (iii) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (iv) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at such address as Indemnitee shall provide to the Company.

(b) If to the Company to:

Hortonworks, Inc.
3460 W. Bayshore Rd.
Palo Alto, CA 94303
Attention: Vice President, Legal

or to any other address as may have been furnished to Indemnitee by the Company.

Section 20. Contribution. To the fullest extent permissible under applicable law, 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 Proceeding in such proportion as is deemed fair and reasonable in light of all of the circumstances in order to reflect (i) the relative benefits received by the Company and Indemnitee in connection with the event(s) and/or transaction(s) giving rise 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 transactions.

Section 21. Internal Revenue Code Section 409A. The Company intends for this Agreement to comply with the Indemnification exception under Section 1.409A-1(b)(10) of the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code"), which provides that indemnification of, or the purchase of an insurance policy providing for payments of, all or part of the expenses incurred or damages paid or payable by Indemnitee with respect to a bona fide claim against Indemnitee or the Company do not provide for a deferral of compensation, subject to Section 409A of the Code, where such claim is based on actions or failures to act by Indemnitee in his or her capacity as a service provider of the Company. The parties intend that this Agreement be interpreted and construed with such intent.

Section 22. Applicable 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. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in 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, (ii) 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, (iii) consent to service of process at the address set forth in Section 19 of this

Agreement with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) 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.

Section 23. 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.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

**HORTONWORKS, INC.**

By: _____
Name:
Title:

_____
[Name of Indemnitee]

**Exhibit 10.2**

**HORTONWORKS, INC.**

**2011 STOCK OPTION AND GRANT PLAN**

**(As amended on March 24, 2014)**

SECTION1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Hortonworks, Inc. 2011 Stock Option and Grant Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, directors, Consultants and other key persons of Hortonworks, Inc., a Delaware corporation (including any successor entity, the "Company") and its Subsidiaries, upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business, to acquire a proprietary interest in the Company.

The following terms shall be defined as set forth below:

"*Affiliate*" of any Person means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the first mentioned Person. A Person shall be deemed to control another Person if such first Person possesses directly or indirectly the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, by contract or otherwise.

"*Award*" or "*Awards*," except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units or any combination of the foregoing.

*"Award Agreement"* means a written or electronic agreement setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Agreement may contain terms and conditions in addition to those set forth in the Plan; *provided, however,* in the event of any conflict in the terms of the Plan and the Award Agreement, the terms of the Plan shall govern**.**

"*Bankruptcy*" shall mean (i) the filing of a voluntary petition under any bankruptcy or insolvency law, or a petition for the appointment of a receiver or the making of an assignment for the benefit of creditors, with respect to the Holder, (ii) the Holder being subjected involuntarily to such a petition or assignment or to an attachment or other legal or equitable interest with respect to the Holder' s assets, which involuntary petition or assignment or attachment is not discharged within 60 days after its date, or (iii) the Holder being subject to a transfer of its Shares or Award(s) by operation of law (including by divorce, even if not insolvent), except by reason of death.

"*Board*" means the Board of Directors of the Company.

"*Cause*" shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of "Cause," it shall mean the Company' s good faith belief that one or more of the following has occurred which with respect to clauses (i), (ii) and (iii) below, if curable, the grantee has not cured within fourteen (14) days after the grantee receives written notice from the Company specifying with reasonable particularity such occurrence:

(i) Grantee' s material neglect or material failure to perform his or her job duties and responsibilities, as determined by the Chief Executive Officer (or as determined by the Board, in the case of the Chief Executive Officer);

(ii) Grantee' s failure or refusal to comply in any material respect with lawful Company policies or directives;

(iii) Grantee' s material breach of any contract or agreement between grantee and the Company, or grantee' s material breach of any statutory duty, fiduciary duty or any other obligation that grantee owes to the Company;

(iv) Grantee' s commission of an act of fraud, theft, embezzlement or other unlawful act against the Company or involving its property or assets or grantee engaging in unprofessional, unethical or other intentional acts that materially discredit the Company or are materially detrimental to the reputation, character or standing of the Company; or

(v) Grantee' s indictment or conviction or nolo contendre or guilty plea with respect to any felony or crime of moral turpitude.

*"Chief Executive Officer"* means the Chief Executive Officer of the Company or, if there is no Chief Executive Officer, then the President of the Company.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"*Committee*" means the Committee of the Board referred to in Section 2.

*"Consultant"* means any natural person that provides bona fide services to the Company (including a Subsidiary), and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company' s securities.

"*Disability*" means "disability" as defined in Section 422(c) of the Code.

"*Effective Date*" means the date on which the Plan is adopted as set forth on the final page of the Plan.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"*Fair Market Value*" of the Stock on any given date means the fair market value of the Stock determined in good faith by the Committee based on the reasonable application of a reasonable valuation method not inconsistent with Section 409A of the Code. If the Stock is admitted to trade on a national securities exchange, the determination shall be made by reference to the closing price reported on such exchange. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price. If the date for which Fair Market Value is determined is the first day when trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the "Price to the Public" (or equivalent) set forth on the cover page for the final prospectus relating to the Company' s Initial Public Offering.

*"Good Reason"* shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of "Good Reason," it shall mean (i) a material diminution in the grantee' s base salary except for across-the-board salary reductions similarly affecting all or substantially all similarly situated employees of the Company or (ii) a change of more than 50 miles in the geographic location at which the grantee provides services to the Company.

"*Grant Date"* means the date that the Committee designates in its approval of an Award in accordance with applicable law as the date on which the Award is granted, which date may not precede the date of such Committee approval.

*"Holder"* means, with respect to an Award or any Shares, the Person holding such Award or Shares, including the initial recipient of the Award or any Permitted Transferee.

"*Incentive Stock Option*" means any Stock Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"*Initial Public Offering*" means the consummation of the first firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale by the Company of its equity securities, as a result of or following which the Stock shall be publicly held.

"*Non-Qualified Stock Option*" means any Stock Option that is not an Incentive Stock Option.

"*Option*" or "*Stock Option*" means any option to purchase shares of Stock granted pursuant to Section 5.

"*Permitted Transferees*" shall mean any of the following to whom a Holder may transfer Shares hereunder (as set forth in Section 9(a)(ii)(A)): the Holder' s child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Holder' s household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons control the management of assets, and any other entity in which these persons own more than fifty percent of the voting interests*; provided, however,* that any such trust does not require or permit distribution of any Shares during the term of the Award

Agreement unless subject to its terms. Upon the death of the Holder, the term Permitted Transferees shall also include such deceased Holder's estate, executors, administrators, personal representatives, heirs, legatees and distributees, as the case may be.

"*Permitted Transfer*" means any of the following:

(i) any Transfer by a Holder of any or all of the Shares to the Company;

(ii) any Transfer by a Holder of any or all of the Shares for no consideration to the Holder's family members (as defined in Rule 701 of the Securities Act), to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners (to the extent such trusts or partnerships are considered "family members" for purposes of Rule 701 of the Securities Act), provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of the Plan and any applicable Award Agreement;

(iii) any Transfer by a Holder of any or all of the Shares effected pursuant to the Holder's will or the laws of intestate succession;

(iv) any Transfer with Transfer Approval. Notwithstanding the foregoing, if a Permitted Transfer is approved pursuant to a Transfer Approval and the Shares of the transferring party are subject to co-sale rights pursuant to a Stockholder Agreement (the "Co-Sale Rights"), the persons and/or entities entitled to the Co-Sale Rights shall be permitted to exercise their respective Co-Sale Rights in conjunction with that specific Permitted Transfer without any additional approval of the Committee or the Board.

"*Person*" shall mean any individual, corporation, partnership (limited or general), limited liability company, limited liability partnership, association, trust, joint venture, unincorporated organization or any similar entity.

*"Repurchase Event"* means (i) a Sale Event or (ii) the Holder's Bankruptcy.

*"Restricted Stock Award"* means Awards granted pursuant to Section 6 and *"Restricted Stock"* means Shares issued pursuant to such Awards.

*"Restricted Stock Unit"* means an Award of phantom stock units to a grantee, which may be settled in cash or Shares as determined by the Committee, pursuant to Section 8.

"*Sale Event"* means the consummation of (i) the dissolution or liquidation of the Company, (ii) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (iii) a merger, reorganization or consolidation pursuant to which the holders of the Company's outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the surviving or resulting entity (or its ultimate parent, if applicable), (iv) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a Person or group of Persons, or (v) any other acquisition of the business of the Company, as determined by the Board; *provided, however,* that the Company's Initial Public Offering, any subsequent public offering or another capital raising event, or a merger effected solely to change the Company's domicile shall not constitute a "Sale Event."

"*Section 409A*" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"*Securities Act*" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

*"Service Relationship"* means any relationship as a full-time employee, part-time employee, director or other key person (including Consultants) of the Company or any Subsidiary or any successor entity (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual' s status changes from full-time employee to part-time employee or Consultant).

*"Shares"* means shares of Stock.

"*Stock*" means the Common Stock, par value $.0001 per share, of the Company.

"*Subsidiary*" means any corporation or other entity (other than the Company) in which the Company has more than a 50 percent interest, either directly or indirectly.

*"Ten Percent Owner"* means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent of the Company or any Subsidiary.

*"Termination Event"* means the termination of the Award recipient' s Service Relationship with the Company and its Subsidiaries for any reason whatsoever, regardless of the circumstances thereof, and including, without limitation, upon death, disability, retirement, discharge or resignation for any reason, whether voluntarily or involuntarily. The following shall not constitute a Termination Event: (i) a transfer to the service of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another Subsidiary or (ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Committee, if the individual' s right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

"*Transfer*" means sell, assign, transfer, pledge, encumber or in any manner dispose of any Award or Shares.

"*Transfer Approval*" means any Transfer permitted by written approval of the Committee or the Board, which Transfer Approval shall be granted or withheld in the sole and absolute discretion of the Committee and/or the Board.

"*Unrestricted Stock Award"* means any Award granted pursuant to Section 7 and *"Unrestricted Stock"* means Shares issued pursuant to such Awards.

SECTION 2. ADMINISTRATION OF PLAN; COMMITTEE AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Board, or at the discretion of the Board, by a committee of the Board, comprised of not less than two directors. All references herein to the "Committee" shall be deemed to refer to the group then responsible for administration of the Plan at the relevant time (i.e., either the Board of Directors or a committee or committees of the Board, as applicable).

(b) Powers of Committee. The Committee shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the amount, if any, of Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of Shares to be covered by any Award and, subject to the provisions of the Plan, the price, exercise price, conversion ratio or other price relating thereto;

(iv) to determine and, subject to Section 12, to modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the form of Award Agreements;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) to impose any limitations on Awards, including limitations on transfers, repurchase provisions and the like, and to exercise repurchase rights or obligations;

(vii) subject to Section 5(a)(ii) and any restrictions imposed by Section 409A, to extend at any time the period in which Stock Options may be exercised; and

(viii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including Award Agreements); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Committee shall be binding on all persons, including the Company and all Holders.

(c) Delegation of Authority to Grant Options. Subject to applicable law, the Committee, in its discretion, may delegate to the Chief Executive Officer of the Company the power to designate non-officer employees to be recipients of Options, and to determine the number of such Options to be received by such employees; provided, however, that the resolution so authorizing the Chief Executive Officer shall specify the total number of Options the Chief Executive Officer may so award and may not delegate to the Chief Executive Officer the authority to set the exercise price or the vesting terms of such Options. Any such delegation by the Committee shall also provide that the Chief Executive Officer may not grant Awards to himself or herself (or other officers) without the approval of the Committee. The Committee may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Committee' s delegate or delegates that were consistent with the terms of the Plan.

(d) Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award.

(e) Indemnification. Neither the Board nor the Committee, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Committee (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company' s governing documents, including its certificate of incorporation or bylaws, or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(f) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and any Subsidiary operate or have employees or other individuals eligible for Awards, the Committee, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries, if any, shall be covered by the Plan; (ii) determine which individuals, if any, outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Committee determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to the Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitation contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Committee determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals.

SECTION 3.STOCK ISSUABLE UNDER THE PLAN; MERGERS AND OTHER TRANSACTIONS; SUBSTITUTION

(a) Stock Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be 27,475,437[1] Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Awards that are forfeited, canceled, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) and Shares that are withheld upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company' s capital stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional Shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such Shares or other securities, in each case, without the receipt of consideration by the Company, or, if, as a result of any merger or consolidation, or sale of all or substantially all of the assets of the Company, the outstanding Shares are converted into or exchanged for other securities of the Company or any successor entity (or a parent or subsidiary thereof), the Committee shall make an appropriate and proportionate adjustment in (i) the maximum number of Shares reserved for issuance under the Plan, (ii) the number and kind of Shares or other securities subject to any then outstanding Awards under the Plan, (iii) the repurchase price, if any, per Share subject to each outstanding Award, and (iv) the exercise price for each Share subject to any then outstanding Stock Options under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options) as to which such Stock Options remain exercisable. The Committee shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporation Code and the rules and regulations promulgated thereunder. The adjustment by the Committee shall be final, binding and conclusive. No fractional Shares shall be issued under the Plan resulting from any such adjustment, but the Committee in its discretion may make a cash payment in lieu of fractional shares.

(c) Sale Events.

(i) Options.

(A) In the case of and subject to the consummation of a Sale Event, the Plan and all outstanding Options issued hereunder shall terminate upon the effective time of any such Sale Event unless assumed or continued by the successor entity, or new stock options or other awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares and, if

1 As adjusted for the two-for-one stock split effective October 28, 2011.

appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the termination of the Plan and all outstanding Options issued hereunder pursuant to Section 3(c), each Holder of Options shall be permitted, within a period of time prior to the consummation of the Sale Event as specified by the Committee, to exercise all such Options which are then exercisable or will become exercisable as of the effective time of the Sale Event; *provided, however*, that the exercise of Options not exercisable prior to the Sale Event shall be subject to the consummation of the Sale Event.

(C) Notwithstanding anything to the contrary in Section 3(c)(i)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Options, without any consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the value as determined by the Committee of the consideration payable per share of Stock pursuant to the Sale Event (the "Sale Price") times the number of Shares subject to outstanding Options being cancelled (to the extent then vested and exercisable, including by reason of acceleration in connection with such Sale Event, at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding vested and exercisable Options.

(ii) Restricted Stock and Restricted Stock Unit Awards.

(A) In the case of and subject to the consummation of a Sale Event, all unvested Restricted Stock and unvested Restricted Stock Unit Awards (other than those becoming vested as a result of the Sale Event) issued hereunder shall be forfeited immediately prior to the effective time of any such Sale Event unless assumed or continued by the successor entity, or awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares subject to such awards as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the forfeiture of Restricted Stock pursuant to Section 3(c)(ii)(A), such Restricted Stock shall be repurchased from the Holder thereof at a price per share equal to the original per share purchase price paid by the Holder (subject to adjustment as provided in Section 3(b)), determined immediately prior to the effective time of the Sale Event.

(C) Notwithstanding anything to the contrary in Section 3(c)(ii)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Restricted Stock or Restricted Stock Unit Awards, without consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the Sale Price times the number of Shares subject to such Awards, to be paid at the time of such Sale Event or upon the later vesting of such Awards.

SECTION4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, directors, Consultants and key persons of the Company and any Subsidiary who are selected from time to time by the Committee in its sole discretion; provided, however, that Awards shall be granted only to those individuals described in Rule 701(c) of the Securities Act.

SECTION5. STOCK OPTIONS

Upon the grant of a Stock Option, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

(a) Terms of Stock Options. The Committee in its discretion may grant Stock Options to those individuals who meet the eligibility requirements of Section 4. Stock Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable.

(i) Exercise Price. The exercise price per share for the Shares covered by a Stock Option shall be determined by the Committee at the time of grant but shall not be less than 100 percent of the Fair Market Value on the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price per share for the Shares covered by such Incentive Stock Option shall not be less than 110 percent of the Fair Market Value on the Grant Date.

(ii) Option Term. The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten years from the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the Grant Date.

(iii) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable and/or vested at such time or times, whether or not in installments, as shall be determined by the Committee at or after the Grant Date. The Award Agreement may permit a grantee to exercise all or a portion of a Stock Option immediately at grant; provided that the Shares issued upon such exercise shall be subject to restrictions and a vesting schedule identical to the vesting schedule of the related Stock Option, such Shares shall be deemed to be Restricted Stock for purposes of the Plan, and the optionee may be required to enter into an additional or new Award Agreement as a condition to exercise of such Stock Option. An optionee shall have the rights of a stockholder only as to Shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options. An optionee shall not be deemed to have acquired any Shares unless and until a Stock Option shall have been exercised pursuant to the terms of the Award Agreement and this Plan and the optionee' s name has been entered on the books of the Company as a stockholder.

(iv) Method of Exercise. Stock Options may be exercised by an optionee in whole or in part, by the optionee giving written or electronic notice of exercise to the Company, specifying the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the following methods (or any combination thereof) to the extent provided in the Award Agreement:

(A) In cash, by certified or bank check, by wire transfer of immediately available funds, or other instrument acceptable to the Committee;

(B) If permitted by the Committee, by the optionee delivering to the Company a promissory note, if the Board has expressly authorized the loan of funds to the optionee for the purpose of enabling or assisting the optionee to effect the exercise of his or her Stock Option; provided, that at least so much of the exercise price as represents the par value of the Stock shall be paid in cash if required by state law;

(C) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), through the delivery (or attestation to the ownership) of Shares that have been purchased by the optionee on the open market or that are beneficially owned by the optionee and are not then subject to restrictions under any Company plan. To the extent required to avoid variable accounting treatment under ASC 718 or other applicable accounting rules, such surrendered Shares if originally purchased from the Company shall have been owned by the optionee for at least six months. Such surrendered Shares shall be valued at Fair Market Value on the exercise date;

(D) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), by the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure; or

(E) If permitted by the Committee, and only with respect to Stock Options that are not Incentive Stock Options, by a "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issuable upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. No certificates for Shares so purchased will be issued to the optionee or, with respect to uncertificated Stock, no transfer to the optionee on the records of the Company will take place, until the Company has completed all steps it has deemed necessary to satisfy legal requirements relating to the issuance and sale of the

Shares, which steps may include, without limitation, (i) receipt of a representation from the optionee at the time of exercise of the Option that the optionee is purchasing the Shares for the optionee' s own account and not with a view to any sale or distribution of the Shares or other representations relating to compliance with applicable law governing the issuance of securities, (ii) the legending of the certificate (or notation on any book entry) representing the Shares to evidence the foregoing restrictions, and (iii) obtaining from optionee payment or provision for all withholding taxes due as a result of the exercise of the Option. The delivery of certificates representing the shares of Stock (or the transfer to the optionee on the records of the Company with respect to uncertificated Stock) to be purchased pursuant to the exercise of a Stock Option will be contingent upon (A) receipt from the optionee (or a purchaser acting in his or her stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such Shares and the fulfillment of any other requirements contained in the Award Agreement or applicable provisions of laws and (B) if required by the Company, the optionee shall have entered into any stockholders agreements or other agreements with the Company and/or certain other of the Company' s stockholders relating to the Stock. In the event an optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number of Shares transferred to the optionee upon the exercise of the Stock Option shall be net of the number of Shares attested to.

(b) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the Grant Date) of the Shares with respect to which Incentive Stock Options granted under the Plan and any other plan of the Company or its parent and any Subsidiary that become exercisable for the first time by an optionee during any calendar year shall not exceed $100,000 or such other limit as may be in effect from time to time under Section 422 of the Code. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

(c) Termination. Any portion of a Stock Option that is not vested and exercisable on the date of termination of an optionee' s Service Relationship shall immediately expire and be null and void. Once any portion of the Stock Option becomes vested and exercisable, the optionee' s right to exercise such portion of the Stock Option (or the optionee' s representatives and legatees as applicable) in the event of a termination of the optionee' s Service Relationship shall continue until the earliest of: (i) the date which is: (A) six months following the date on which the optionee' s Service Relationship terminates due to death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (B) 30 days following the date on which the optionee' s Service Relationship terminates if the termination is due to any reason other than death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (ii) the Expiration Date set forth in the Award Agreement; provided that notwithstanding the foregoing, an Award Agreement may provide that if the optionee' s Service Relationship is terminated for Cause, the Stock Option shall terminate immediately and be null and void upon the date of the optionee' s termination and shall not thereafter be exercisable.

SECTION 6. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible individual under Section 4 hereof a Restricted Stock Award under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Award at the time of grant. Conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or such other criteria as the Committee may determine. Upon the grant of a Restricted Stock Award, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee of Restricted Stock shall be considered the record owner of and shall be entitled to vote the Restricted Stock if, and to the extent, such Shares are entitled to voting rights, subject to such conditions contained in the Award Agreement. The grantee shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution. Unless the Committee shall otherwise determine, certificates evidencing the Restricted Stock shall remain in the possession of the Company until such Restricted Stock is vested as provided in subsection (d) below of this Section, and the grantee shall be required, as a condition of the grant, to deliver to the Company a stock power endorsed in blank and such other instruments of transfer as the Committee may prescribe.

(c) Restrictions. Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Award Agreement. Except as may otherwise be provided by the Committee either in the Award Agreement or, subject to Section 12 below, in writing after the Award Agreement is issued, if a grantee' s Service Relationship with the Company and any Subsidiary terminates, the Company or its assigns shall have the right, as may be specified in the relevant instrument, to repurchase some or all of the Shares subject to the Award at such purchase price as is set forth in the Award Agreement.

(d) Vesting of Restricted Stock. The Committee at the time of grant shall specify in the Award Agreement the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the substantial risk of forfeiture imposed shall lapse and the Restricted Stock shall become vested, subject to such further rights of the Company or its assigns as may be specified in the Award Agreement.

SECTION 7. UNRESTRICTED STOCK AWARDS

The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible person under Section 4 hereof an Unrestricted Stock Award under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Committee may, in its sole discretion, grant to an eligible person under Section 4 hereof Restricted Stock Units under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Unit at the time of grant. Vesting conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or other such criteria as the Committee may determine. Upon the grant of Restricted Stock Units, the grantee and the Company shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee and may differ among individual Awards and grantees. On or promptly following the vesting date or dates applicable to any Restricted Stock Unit, but in no event later than March 15 of the year following the year in which such vesting occurs, such Restricted Stock Unit(s) shall be settled in the form of cash or shares of Stock, as specified in the Award Agreement. Restricted Stock Units may not be sold, assigned, transferred, pledged, or otherwise encumbered or disposed of.

(b) Rights as a Stockholder. A grantee shall have the rights of a stockholder only as to Shares, if any, acquired upon settlement of Restricted Stock Units. A grantee shall not be deemed to have acquired any such Shares unless and until the Restricted Stock Units shall have been settled in Shares pursuant to the terms of the Plan and the Award Agreement, the Company shall have issued and delivered a certificate representing the Shares to the grantee (or transferred on the records of the Company with respect to uncertificated stock), and the grantee' s name has been entered in the books of the Company as a stockholder.

(c) Termination. Except as may otherwise be provided by the Committee either in the Award Agreement or in writing after the Award Agreement is issued, a grantee' s right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee' s cessation of Service Relationship with the Company and any Subsidiary for any reason.

SECTION 9. TRANSFER RESTRICTIONS; COMPANY RIGHT OF FIRST REFUSAL; COMPANY REPURCHASE RIGHTS

(a) Restrictions on Transfer.

(i) Non-Transferability of Stock Options. Stock Options and, prior to exercise, the Shares issuable upon exercise of such Stock Option, shall not be transferable by the optionee otherwise than by will, or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the optionee' s lifetime, only by the optionee, or by the optionee' s legal representative or guardian in the event of the optionee' s incapacity. Notwithstanding the foregoing, the Committee, in its sole discretion, may provide in the Award Agreement regarding a given Stock Option that the optionee may transfer by gift, without consideration for the transfer, his or her Non-Qualified Stock Options to his or her family members (as defined in Rule 701 of the Securities Act), to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners (to the extent such trusts or partnerships are considered "family members" for purposes of Rule 701 of the Securities Act), provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award Agreement, including the execution of a

stock power upon the issuance of Shares. Stock Options, and the Shares issuable upon exercise of such Stock Options, shall be restricted as to any pledge, hypothecation, or other transfer, including any short position, any "put equivalent position" (as defined in the Exchange Act) or any "call equivalent position" (as defined in the Exchange Act) prior to exercise.

(ii) Shares. No Shares shall be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of or encumbered, whether voluntarily or by operation of law, unless (i) the transfer is in compliance with the terms of the applicable Award Agreement, all applicable securities laws (including, without limitation, the Securities Act), and with the terms and conditions of this Section 9, (ii) the transfer does not cause the Company to become subject to the reporting requirements of the Exchange Act, and (iii) the transferee consents in writing to be bound by the provisions of the Plan and the Award Agreement, including this Section 9. In connection with any proposed transfer, the Committee may require the transferor to provide at the transferor' s own expense an opinion of counsel to the transferor, satisfactory to the Committee, that such transfer is in compliance with all foreign, federal and state securities laws (including, without limitation, the Securities Act). Any attempted transfer of Shares not in accordance with the terms and conditions of this Section 9 shall be null and void, and the Company shall not reflect on its records any change in record ownership of any Shares as a result of any such transfer, shall otherwise refuse to recognize any such transfer and shall not in any way give effect to any such transfer of Shares. The Company shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity including, without limitation, seeking specific performance or the rescission of any transfer not made in strict compliance with the provisions of this Section 9. Subject to the foregoing general provisions, and unless otherwise provided in the applicable Award Agreement, Shares may be transferred pursuant to the following specific terms and conditions (provided that with respect to any transfer of Restricted Stock, all vesting and forfeiture provisions shall continue to apply with respect to the original recipient):

(A) Transfers to Permitted Transferees. The Holder may transfer any or all of the Shares to one or more Permitted Transferees; *provided*, *however*, that following such transfer, such Shares shall continue to be subject to the terms of this Plan (including this Section 9) and such Permitted Transferee(s) shall, as a condition to any such transfer, deliver a written acknowledgment to that effect to the Company and shall deliver a stock power to the Company with respect to the Shares. Notwithstanding the foregoing, the Holder may not transfer any of the Shares to a Person whom the Company reasonably determines is a direct competitor or a potential competitor of the Company or any of its Subsidiaries.

(B) Transfers Upon Death. Upon the death of the Holder, any Shares then held by the Holder at the time of such death and any Shares acquired after the Holder' s death by the Holder' s legal representative shall be subject to the provisions of this Plan, and the Holder' s estate, executors, administrators, personal representatives, heirs, legatees and distributees shall be obligated to convey such Shares to the Company or its assigns under the terms contemplated by the Plan and the Award Agreement.

(b) Right of First Refusal. In the event that a Holder desires at any time to sell or otherwise transfer all or any part of his or her Shares (other than shares of Restricted Stock

which by their terms are not transferrable), and including any Permitted Transfers, the Holder first shall give written notice to the Company of the Holder' s intention to make such transfer. Such notice shall state the number of Shares that the Holder proposes to sell (the "Offered Shares"), the price and the terms at which the proposed sale is to be made and the name and address of the proposed transferee. At any time within 30 days after the receipt of such notice by the Company, the Company or its assigns may elect to purchase all or any portion of the Offered Shares at the price and on the terms offered by the proposed transferee and specified in the notice. The Company or its assigns shall exercise this right by mailing or delivering written notice to the Holder within the foregoing 30-day period. If the Company or its assigns elect to exercise its purchase rights under this Section 9(b), the closing for such purchase shall, in any event, take place within 45 days after the receipt by the Company of the initial notice from the Holder. In the event that the Company or its assigns do not elect to exercise such purchase right, or in the event that the Company or its assigns do not pay the full purchase price within such 45-day period, the Holder may, within 60 days thereafter, sell the Offered Shares to the proposed transferee and at the same price and on the same terms as specified in the Holder' s notice. Any Shares not sold to the proposed transferee shall remain subject to the Plan. If the Holder is a party to any stockholders agreements or other agreements with the Company and/or certain other of the Company' s stockholders relating to the Shares, (i) the transferring Holder shall comply with the requirements of such stockholders agreements or other agreements relating to any proposed transfer of the Offered Shares, and (ii) any proposed transferee that purchases Offered Shares shall enter into such stockholders agreements or other agreements with the Company and/or certain of the Company' s stockholders relating to the Offered Shares on the same terms and in the same capacity as the transferring Holder.

(c) Company' s Right of Repurchase.

(i) Right of Repurchase for Shares Issued Upon the Exercise of an Option. The Company or its assigns shall have the right and option upon a Repurchase Event to repurchase from a Holder some or all (as determined by the Company) of the Shares acquired upon exercise of a Stock Option by such Holder at the price per share specified below. In addition, upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares acquired upon exercise of a Stock Option which are still subject to a risk of forfeiture as of the Termination Event. Such repurchase rights may be exercised by the Company within the later of (A) six months following the date of such Repurchase Event or (B) seven months after the acquisition of Shares upon exercise of a Stock Option. The repurchase price shall be equal to (i) in the case of Shares that are not subject to a risk of forfeiture as of the Repurchase Event, the Fair Market Value of the Shares, determined as of the date the Committee elects to exercise its repurchase rights in connection with a Repurchase Event and (ii) in the case of Shares that are still subject to a risk of forfeiture as of the Repurchase Event or Termination Event (as applicable), the original per share price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan.

(ii) Right of Repurchase With Respect to Restricted Stock and Shares issued pursuant to an Unrestricted Stock Award or Restricted Stock Unit Award. Unless otherwise set forth in the Award Agreement in connection with a Restricted Stock Award, Unrestricted Stock Award or Restricted Stock Unit Award, the Company or its assigns shall have the right and option upon a Repurchase Event to repurchase from a Holder of Shares received pursuant to a

Restricted Stock Award, Unrestricted Stock Award or Restricted Stock Unit Award some or all (as determined by the Company) of such Shares at the price per share specified below. In addition, upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares received pursuant to a Restricted Stock Award any Shares that are still subject to a risk of forfeiture as of the Termination Event. Such repurchase right may be exercised by the Company within six months following the date of such Repurchase Event or Termination Event as applicable. The repurchase price shall be (i) in the case of Shares that are vested as of the date of the Repurchase Event, the Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights in connection with a Repurchase Event and (ii) in the case of Shares that are still subject to a risk of forfeiture as of the date of the Repurchase Event or Termination Event (as applicable), the original per share purchase price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan.

(iii) Procedure. Any repurchase right of the Company shall be exercised by the Company or its assigns by giving the Holder written notice on or before the last day of the repurchase period of its intention to exercise such repurchase right. Upon such notification, the Holder shall promptly surrender to the Company, free and clear of any liens or encumbrances, any certificates representing the Shares being purchased, together with a duly executed stock power for the transfer of such Shares to the Company or the Company' s assignee or assignees. Upon the Company' s or its assignee' s receipt of the certificates from the Holder, the Company or its assignee or assignees shall deliver to him, her or them a check for the applicable repurchase price; *provided*, *however*, that the Company may pay the repurchase price by offsetting and canceling any indebtedness then owed by the Holder to the Company.

(d) Escrow Arrangement.

(i) Escrow. In order to carry out the provisions of this Section 9 of this Plan more effectively, the Company shall hold any Shares issued pursuant to Awards granted under the Plan in escrow together with separate stock powers executed by the Holder in blank for transfer. The Company shall not dispose of the Shares except as otherwise provided in this Plan. In the event of any repurchase by the Company (or any of its assigns), the Company is hereby authorized by the Holder, as the Holder' s attorney-in-fact, to date and complete the stock powers necessary for the transfer of the Shares being purchased and to transfer such Shares in accordance with the terms hereof. At such time as any Shares are no longer subject to the Company' s repurchase and first refusal rights, the Company shall, at the written request of the Holder, deliver to the Holder a certificate representing such Shares with the balance of the Shares to be held in escrow pursuant to this Section.

(ii) Remedy. Without limitation of any other provision of this Plan or other rights, in the event that a Holder or any other Person is required to sell a Holder' s Shares pursuant to the provisions of Sections 9(b) or (c) hereof and in the further event that he or she refuses or for any reason fails to deliver to the Company or its designated purchaser of such Shares the certificate or certificates evidencing such Shares together with a related stock power, the Company or such designated purchaser may deposit the applicable purchase price for such Shares with a bank designated by the Company, or with the Company' s independent public accounting firm, as agent or trustee, or in escrow, for such Holder or other Person, to be held by such bank or accounting firm for the benefit of and for delivery to him, her, them or it, and/or, in

its discretion, pay such purchase price by offsetting any indebtedness then owed by such Holder as provided above. Upon any such deposit and/or offset by the Company or its designated purchaser of such amount and upon notice to the Person who was required to sell the Shares to be sold pursuant to the provisions of Sections 9(b) or (c), such Shares shall at such time be deemed to have been sold, assigned, transferred and conveyed to such purchaser, such Holder shall have no further rights thereto (other than the right to withdraw the payment thereof held in escrow, if applicable), and the Company shall record such transfer in its stock transfer book or in any appropriate manner.

(e) Lockup Provision. If requested by the Company, a Holder shall not sell or otherwise transfer or dispose of any Shares (including, without limitation, pursuant to Rule 144 under the Securities Act) held by him or her for such period following the effective date of a public offering by the Company of Shares as the Company shall specify reasonably and in good faith. If requested by the underwriter engaged by the Company, each Holder shall execute a separate letter confirming his or her agreement to comply with this Section.

(f) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Section 9 shall apply with equal force to additional and/or substitute securities, if any, received by Holder in exchange for, or by virtue of his or her ownership of, Shares.

(g) Additional Transfer Restrictions. Notwithstanding anything provided herein to the contrary, a Holder may not Transfer Shares, or any other shares of Company Common Stock previously or subsequently acquired by the Holder, whether voluntarily or by operation of law, or by gift or otherwise, except by means of a Permitted Transfer and in accordance with this Section 9(g). For purposes of this Section 9(g), "Shares" shall be deemed to include any other shares of Company Common Stock previously or subsequently acquired by the Holder. If any provision(s) of any agreement(s) currently in effect by and between the Company and the Holder (the "Stockholder Agreement(s)") conflicts with this Section 9(g), this Section 9(g) shall govern, and the remaining provision(s) of the Stockholder Agreement(s) that do not conflict with this Section 9(g) shall continue in full force and effect. Any Transfer of Shares shall be null and void unless the terms, conditions and provisions of this Section 9(g) are strictly observed and followed.

(h) Termination. The terms and provisions of Section 9(b), Section 9(c) (except for the Company' s right to repurchase Shares still subject to a risk of forfeiture upon a Termination Event) and Section 9(g) shall terminate upon the closing of the Company' s Initial Public Offering or upon consummation of any Sale Event, in either case as a result of which Shares are registered under Section 12 of the Exchange Act and publicly-traded on any national security exchange.

SECTION10. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Shares or other amounts received thereunder first becomes

includable in the gross income of the grantee for income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and any Subsidiary shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company' s obligation to deliver stock certificates (or evidence of book entry) to any grantee is subject to and conditioned on any such tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. The Company' s minimum required tax withholding obligation may be satisfied, in whole or in part, by the Company withholding from Shares to be issued pursuant to an Award a number of Shares having an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the minimum withholding amount due.

SECTION11. SECTION 409A AWARDS.

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as may be specified by the Committee from time to time. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee' s separation from service, or (ii) the grantee' s death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. The Company makes no representation or warranty and shall have no liability to any grantee under the Plan or any other Person with respect to any penalties or taxes under Section 409A that are, or may be, imposed with respect to any Award.

SECTION12. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Committee may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the consent of the holder of the Award. The Committee may exercise its discretion to reduce the exercise price of outstanding Stock Options or effect repricing through cancellation of outstanding Stock Options and by granting such holders new Awards in replacement of the cancelled Stock Options. To the extent determined by the Committee to be required either by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code or otherwise, Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 12 shall limit the Board' s or Committee' s authority to take any action permitted pursuant to Section 3(c). The Board reserves the right to amend the Plan and/or the terms of any outstanding Stock Options to the extent reasonably necessary to comply with the requirements of the exemption pursuant to paragraph (f)(4) of Rule 12h-1 of the Exchange Act.

SECTION13. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Committee shall otherwise expressly so determine in connection with any Award.

SECTION14. GENERAL PROVISIONS

(a) No Distribution; Compliance with Legal Requirements. The Committee may require each person acquiring Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the Shares without a view to distribution thereof. No Shares shall be issued pursuant to an Award until all applicable securities law and other legal and stock exchange or similar requirements have been satisfied. The Committee may require the placing of such stop-orders and restrictive legends on certificates for Stock and Awards as it deems appropriate.

(b) Delivery of Stock Certificates. Stock certificates to grantees under the Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee' s last known address on file with the Company; provided that stock certificates to be held in escrow pursuant to Section 9 of the Plan shall be deemed delivered when the Company shall have recorded the issuance in its records. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee' s last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records).

(c) No Employment Rights**.** The adoption of the Plan and the grant of Awards do not confer upon any Person any right to continued employment or Service Relationship with the Company or any Subsidiary.

(d) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company' s insider trading policy-related restrictions, terms and conditions as may be established by the Committee, or in accordance with policies set by the Committee, from time to time.

(e) Designation of Beneficiary. Each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award on or after the grantee' s death or receive any payment under any Award payable on or after the grantee' s death. Any such designation shall be on a form provided for that purpose by the Committee and shall not be effective until received by the Committee. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee' s estate.

(f) Legend. Any certificate(s) representing the Shares shall carry substantially the following legend (and with respect to uncertificated Stock, the book entries evidencing such shares shall contain the following notation):

> The transferability of this certificate and the shares of stock represented hereby are subject to the restrictions, terms and conditions (including repurchase and restrictions against transfers) contained in the Hortonworks, Inc. 2011 Stock Option and Grant Plan and any agreements entered into thereunder by and between the company and the holder of this certificate (a copy of which is available at the offices of the company for examination).

(g) Information to Holders of Options. In the event the Company is relying on the exemption from the registration requirements of Section 12(g) of the Exchange Act contained in paragraph (f)(1) of Rule 12h-1 of the Exchange Act, the Company shall provide the information described in Rule 701(e)(3), (4) and (5) of the Securities Act to all holders of Options in accordance with the requirements thereunder. The foregoing notwithstanding, the Company shall not be required to provide such information unless the optionholder has agreed in writing, on a form prescribed by the Company, to keep such information confidential.

SECTION15. EFFECTIVE DATE OF PLAN

The Plan shall become effective upon adoption by the Board and shall be approved by stockholders in accordance with applicable state law and the Company' s articles of incorporation and bylaws within 12 months thereafter. If the stockholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, then any Awards granted or sold under the Plan shall be rescinded and no additional grants or sales shall thereafter be made under the Plan. Subject to such approval by stockholders and to the requirement that no Shares may be issued hereunder prior to such approval, Stock Options and other Awards may be granted hereunder on and after adoption of the Plan by the Board. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the date the Plan is adopted by the Board or the date the Plan is approved by the Company' s stockholders, whichever is earlier.

SECTION16. GOVERNING LAW

This Plan, all Awards and any controversy arising out of or relating to this Plan and all Awards shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

DATE ADOPTED BY THE BOARD OF DIRECTORS: JUNE 29, 2011

DATE APPROVED BY THE STOCKHOLDERS: JUNE 30, 2011

**INCENTIVE STOCK OPTION GRANT NOTICE**
**UNDER THE HORTONWORKS, INC.**
**2011 STOCK OPTION AND GRANT PLAN**

Pursuant to the Hortonworks, Inc. 2011 Stock Option and Grant Plan (the "Plan"), Hortonworks, Inc., a Delaware corporation (together with any successor, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value $0.0001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Incentive Stock Option Grant Notice (the "Grant Notice"), the attached Incentive Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"). To the extent that any portion of the Stock Option does not so qualify, it shall be deemed a non-qualified stock option.

| | |
|---|---|
| Name of Optionee: | _____ (the "Optionee") |
| No. of Shares: | _____ Shares of Common Stock |
| Grant Date: | _____ |
| Vesting Commencement Date: | _____ (the "Vesting Commencement Date") |
| Expiration Date: | _____ (the "Expiration Date") |
| Option Exercise Price/Share: | $____ (the "Option Exercise Price") |
| Vesting Schedule: | 25 percent of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining 75 percent of the Shares shall vest and become exercisable in 36 equal monthly installments at the end of each month following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company at such time. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan **[ provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE]**. |

**Attachments:** Incentive Stock Option Agreement, 2011 Stock Option and Grant Plan

**INCENTIVE STOCK OPTION AGREEMENT**
**UNDER THE HORTONWORKS, INC.**
**2011 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

1. Vesting, Exercisability and Termination.

(a) No portion of this Stock Option may be exercised until such portion shall have vested and become exercisable.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, this Stock Option shall be vested and exercisable on the respective dates indicated below:

(i) This Stock Option shall initially be unvested and unexercisable.

(ii) This Stock Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee' s Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee' s Service Relationship terminates by reason of such Optionee' s death or Disability, this Stock Option may be exercised, to the extent exercisable on the date of such termination, by the Optionee, the Optionee' s legal representative or legatee for a period of 12 months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee' s Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may be exercised, to the extent exercisable on the date of termination, for a period of 90 days from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee' s Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee' s determination of the reason for termination of the Optionee' s Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees. Any portion of this Stock Option that is not vested and exercisable on the date of termination of the Service Relationship shall terminate immediately and be null and void.

(d) It is understood and intended that this Stock Option is intended to qualify as an "incentive stock option" as defined in Section 422 of the Code to the extent permitted under applicable law. Accordingly, the Optionee understands that in order to obtain the benefits of an incentive stock option under Section 422 of the Code, no sale or other disposition may be made of Shares for which incentive stock option treatment is desired within the one-year period beginning on the day after the day of the transfer of such Shares to him or her, nor within the two-year period beginning on the day after Grant Date of this Stock Option and further that this Stock Option must be exercised within three months after termination of employment as an employee (or 12 months in the case of death or disability) to qualify as an incentive stock option. If the Optionee disposes (whether by sale, gift, transfer or otherwise) of any such Shares within either of these periods, he or she will notify the Company within 30 days after such disposition. The Optionee also agrees to provide the Company with any information concerning any such dispositions required by the Company for tax purposes. Further, to the extent this Stock Option and any other incentive stock options of the Optionee having an aggregate Fair Market Value in excess of $100,000 (determined as of the Grant Date) first become exercisable in any year, such options will not qualify as incentive stock options.

2. Exercise of Stock Option.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an "Exercise Notice") in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares with respect to which this Stock Option is then exercisable. Such notice shall specify the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan.

4. Transferability of Stock Option. This Stock Option is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or by the laws of descent and distribution. The Stock Option may be exercised during the Optionee' s lifetime only by the Optionee (or by the Optionee' s guardian or personal representative in the event of the Optionee' s incapacity). The Optionee may elect to designate a beneficiary by providing written notice of the name of such beneficiary to the Company, and may revoke or change such designation at any time by filing written notice of revocation or change with the Company; such beneficiary may exercise the Optionee' s Stock Option in the event of the Optionee' s death to the extent provided herein. If the Optionee does not designate a beneficiary, or if the designated beneficiary predeceases the Optionee, the legal representative of the Optionee may exercise this Stock Option to the extent provided herein in the event of the Optionee' s death.

5. Restrictions on Transfer of Shares. The Shares acquired upon exercise of this Stock Option shall be subject to certain transfer restrictions and other limitations including,

without limitation, the provisions contained in Section 9 of the Plan and any restrictions on transfer as set forth in the Company' s bylaws. Moreover, notwithstanding anything provided herein or in the Plan to the contrary, the Optionee may not Transfer (as defined below) the Shares, or any other shares of Common Stock previously or subsequently acquired by the Optionee, except in accordance with this Section 5.

(a) Restriction on Transfer. The Optionee may not sell, assign, transfer, pledge, encumber or in any manner dispose of ("Transfer") any of the Shares or any other shares of Common Stock of the Company previously or subsequently acquired by the Optionee (which for purposes of this Section 5 shall be deemed to be "Shares"), whether voluntarily or by operation of law, or by gift or otherwise, other than by means of a Permitted Transfer (as defined below). If any provision(s) of any agreement(s) currently in effect by and between the Company and the Optionee (the "Stockholder Agreement(s)") conflicts with this Section 5(a), this Section 5(a) shall govern, and the remaining provision(s) of the Stockholder Agreement(s) that do not conflict with this Section 5(a) shall continue in full force and effect, including any right of first refusal and/or co-sale rights of third parties in connection with the Transfer.

(b) Permitted Transfers. For purposes of this Section 5, a "Permitted Transfer" shall mean any of the following:

(i) any Transfer by the Optionee of any or all of the Shares to the Company;

(ii) any Transfer by the Optionee of any or all of the Shares for no consideration to the Optionee' s family members (as defined in Rule 701 of the Securities Act), to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners (to the extent such trusts or partnerships are considered "family members" for purposes of Rule 701 of the Securities Act), provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and this Agreement, including the restrictions on transfer contained herein;

(iii) any Transfer by the Optionee of any or all of the Shares effected pursuant to the Optionee' s will or the laws of intestate succession;

(iv) any Transfer permitted by written approval of the Company' s Board (the "Transfer Approval"), which Transfer Approval shall be granted or withheld in the sole and absolute discretion of the Board.

Notwithstanding the foregoing, if a Permitted Transfer is approved pursuant to subsection (iv) of this Section 5(b) and the Shares of the transferring party are subject to co-sale rights pursuant to a Stockholder Agreement (the "Co-Sale Rights"), the persons and/or entities entitled to the Co-Sale Rights shall be permitted to exercise their respective Co-Sale Rights in conjunction with that specific Permitted Transfer without any additional approval of the Board of Directors.

(c) Void Transfers. Any Transfer of Shares shall be null and void unless the terms, conditions and provisions of this Section 5 are strictly observed and followed.

(d) Termination of Restriction on Transfer. The foregoing restriction on transfer set forth in this Section 5 shall lapse upon the earlier of (i) immediately prior to the consummation of a Change in Control, or (ii) immediately prior to the Company' s first firm commitment underwritten public offering of its securities pursuant to a registration statement under the Securities Act of 1933, as amended.

6. Miscellaneous Provisions.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Service. The Optionee acknowledges and agrees that the definition of Service Relationship in the Plan shall apply for all purposes (including, but not limited to, in any Restricted Stock Purchase Agreement between the Company and Optionee) of defining "Service" and/or "service" between the Company and the Optionee.

(k) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

7. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be San Francisco, California.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party' s witness or expert. The arbitrator' s decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator' s decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that

such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

[SIGNATURE PAGE FOLLOWS]

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

Hortonworks, Inc.

By: _____
Name:
Title:

Address:

_____

_____

_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

_____
Name:

Address:

_____

_____

_____

DESIGNATED BENEFICIARY:

_____

Beneficiary’ s Address:

_____

_____

_____

**Appendix A**

**STOCK OPTION EXERCISE NOTICE**

Hortonworks, Inc.
Attention: [_____]

_____

_____

Pursuant to the terms of the grant notice and stock option agreement between the undersigned and Hortonworks, Inc. (the "Company") dated _____ (the "Agreement") under the Hortonworks, Inc. 2011 Stock Option and Grant Plan, I, [Insert Name] _____, hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of $____ representing the purchase price for [Fill in number of Shares] ____ Shares. I have chosen the following form(s) of payment:

[ ] 1. Cash
[ ] 2. Certified or bank check payable to Hortonworks, Inc.
[ ] 3. Other (as referenced in the Agreement and described in the Plan (please describe))
_____.

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period of time.

(v) I understand that the Shares may not be registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the

registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) I have read and understand the Plan and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan, the Company bylaws and Section 5 of the Agreement.

(vii) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) I understand and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan, the Company bylaws and Section 5 of the Agreement.

(x) I agree to the transfer restrictions on my Shares set forth in the Agreement.

Sincerely yours,

_____

Name:

Address:

_____

_____

_____

_____

For Company Use:

Date Received: _____

**NON-QUALIFIED STOCK OPTION GRANT NOTICE**
**UNDER THE HORTONWORKS, INC.**
**2011 STOCK OPTION AND GRANT PLAN**

Pursuant to the Hortonworks, Inc. 2011 Stock Option and Grant Plan (the "Plan"), Hortonworks, Inc., a Delaware corporation (together with any successor, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value $0.0001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Non-Qualified Stock Option Grant Notice (the "Grant Notice"), the attached Non-Qualified Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is not intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

| | |
|---|---|
| Name of Optionee: | _____ (the "Optionee") |
| No. of Shares: | _____ Shares of Common Stock |
| Grant Date: | _____ |
| Vesting Commencement Date: | _____ (the "Vesting Commencement Date") |
| Expiration Date: | _____ (the "Expiration Date") |
| Option Exercise Price/Share: | $____ (the "Option Exercise Price") |
| Vesting Schedule: | 25 percent of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining 75 percent of the Shares shall vest and become exercisable in 36 equal monthly installments at the end of each month following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company at such time. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan **[ provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE]**. |

**Attachments:** Non-Qualified Stock Option Agreement, 2011Stock Option and Grant Plan

**NON-QUALIFIED STOCK OPTION AGREEMENT**
**UNDER THE HORTONWORKS, INC.**
**2011 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

1. Vesting, Exercisability and Termination.

(a) No portion of this Stock Option may be exercised until such portion shall have vested and become exercisable.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, this Stock Option shall be vested and exercisable on the respective dates indicated below:

(i) This Stock Option shall initially be unvested and unexercisable.

(ii) This Stock Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee' s Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee' s Service Relationship terminates by reason of such Optionee' s death or Disability, this Stock Option may be exercised, to the extent exercisable on the date of such termination, by the Optionee, the Optionee' s legal representative or legatee for a period of 12 months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee' s Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may be exercised, to the extent exercisable on the date of termination, for a period of 90 days from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee' s Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee' s determination of the reason for termination of the Optionee' s Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees and any Permitted Transferee. Any portion of this Stock Option that is not vested and exercisable on the date of termination of the Service Relationship shall terminate immediately and be null and void.

2. Exercise of Stock Option.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an "Exercise Notice") in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares with respect to which this Stock Option is then exercisable. Such notice shall specify the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan.

4. Transferability of Stock Option. This Stock Option is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or by the laws of descent and distribution. The Stock Option may be exercised during the Optionee' s lifetime only by the Optionee (or by the Optionee' s guardian or personal representative in the event of the Optionee' s incapacity). The Optionee may elect to designate a beneficiary by providing written notice of the name of such beneficiary to the Company, and may revoke or change such designation at any time by filing written notice of revocation or change with the Company; such beneficiary may exercise the Optionee' s Stock Option in the event of the Optionee' s death to the extent provided herein. If the Optionee does not designate a beneficiary, or if the designated beneficiary predeceases the Optionee, the legal representative of the Optionee may exercise this Stock Option to the extent provided herein in the event of the Optionee' s death.

5. Restrictions on Transfer of Shares. The Shares acquired upon exercise of this Stock Option shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan and any restrictions on transfer as set forth in the Company' s bylaws. Moreover, notwithstanding anything provided herein or in the Plan to the contrary, the Optionee may not Transfer (as defined below) the Shares, or any other shares of Common Stock previously or subsequently acquired by the Optionee, except in accordance with this Section 5.

(a) Restriction on Transfer. The Optionee may not sell, assign, transfer, pledge, encumber or in any manner dispose of ("Transfer") any of the Shares, or any other shares of Common Stock of the Company previously or subsequently acquired by the Optionee (which for purposes of this Section 5 shall be deemed to be "Shares"), whether voluntarily or by operation of law, or by gift or otherwise, other than by means of a Permitted Transfer (as defined below). If any provision(s) of any agreement(s) currently in effect by and between the Company and the Optionee (the "Stockholder Agreement(s)") conflicts with this Section 5(a), this Section 5(a) shall govern, and the remaining provision(s) of the Stockholder Agreement(s) that do not conflict with this Section 5(a) shall continue in full force and effect, including any right of first refusal and/or co-sale rights of third parties in connection with the Transfer.

(b) Permitted Transfers. For purposes of this Section 5, a "Permitted Transfer" shall mean any of the following:

(i) any Transfer by the Optionee of any or all of the Shares to the Company;

(ii) any Transfer by the Optionee of any or all of the Shares for no consideration to the Optionee' s family members (as defined in Rule 701 of the Securities Act), to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners (to the extent such trusts or partnerships are considered "family members" for purposes of Rule 701 of the Securities Act), provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and this Agreement, including the restrictions on transfer contained herein;

(iii) any Transfer by the Optionee of any or all of the Shares effected pursuant to the Optionee' s will or the laws of intestate succession;

(iv) any Transfer permitted by written approval of the Company' s Board (the "Transfer Approval"), which Transfer Approval shall be granted or withheld in the sole and absolute discretion of the Board.

Notwithstanding the foregoing, if a Permitted Transfer is approved pursuant to subsection (iv) of this Section 5(b) and the Shares of the transferring party are subject to co-sale rights pursuant to a Stockholder Agreement (the "Co-Sale Rights"), the persons and/or entities entitled to the Co-Sale Rights shall be permitted to exercise their respective Co-Sale Rights in conjunction with that specific Permitted Transfer without any additional approval of the Board of Directors.

(c) Void Transfers. Any Transfer of Shares shall be null and void unless the terms, conditions and provisions of this Section 5 are strictly observed and followed.

(d) Termination of Restriction on Transfer. The foregoing restriction on transfer set forth in this Section 5 shall lapse upon the earlier of (i) immediately prior to the consummation of a Change in Control, or (ii) immediately prior to the Company' s first firm commitment underwritten public offering of its securities pursuant to a registration statement under the Securities Act of 1933, as amended.

6. Miscellaneous Provisions.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of

securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Service. The Optionee acknowledges and agrees that the definition of Service Relationship in the Plan shall apply for all purposes (including, but not limited to, in any Restricted Stock Purchase Agreement between the Company and Optionee) of defining "Service" and/or "service" between the Company and the Optionee.

(k) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

7. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be San Francisco, California.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party' s witness or expert. The arbitrator' s decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator' s decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction

and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

[SIGNATURE PAGE FOLLOWS]

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

Hortonworks, Inc.

By: _____
Name:
Title:

Address:

_____

_____

_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

_____
Name:

Address:

_____

_____

_____

DESIGNATED BENEFICIARY:

_____

Beneficiary' s Address:

_____

_____

_____

**Appendix A**

**STOCK OPTION EXERCISE NOTICE**

Hortonworks, Inc.
Attention: [_____]
_____

_____

Pursuant to the terms of the grant notice and stock option agreement between the undersigned and Hortonworks, Inc. (the "Company") dated _____ (the "Agreement") under the Hortonworks, Inc. 2011 Stock Option and Grant Plan, I, [Insert Name] _____, hereby [Circle One] partially/fully exercise such option by including herein payment in the amount of $_____ representing the purchase price for [Fill in number of Shares] _____ Shares. I have chosen the following form(s) of payment:

[ ] 1. Cash
[ ] 2. Certified or bank check payable to Hortonworks, Inc.
[ ] 3. Other (as referenced in the Agreement and described in the Plan (please describe))
_____.

In connection with my exercise of the option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Shares for my own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) I have had such an opportunity as I have deemed adequate to obtain from the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iii) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period of time.

(v) I understand that the Shares may not be registered under the Securities Act of 1933 (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Securities Act of 1933 and under any applicable state securities or "blue sky" laws (or exemptions from the

registration requirement thereof). I further acknowledge that certificates representing Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) I have read and understand the Plan and acknowledge and agree that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan, the Company bylaws and Section 5 of the Agreement.

(vii) I understand and agree that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) I understand and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) I understand and agree that I may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan, the Company bylaws and Section 5 of the Agreement.

(x) I agree to the transfer restrictions on my Shares set forth in the Agreement.

Sincerely yours,

_____

Name:

Address:

_____

_____

_____

_____

For Company Use:

Date Received: _____

**RESTRICTED STOCK AWARD NOTICE**
**UNDER THE HORTONWORKS, INC.**
**2011 STOCK OPTION AND GRANT PLAN**

Pursuant to the Hortonworks, Inc. 2011 Stock Option and Grant Plan (the "Plan"), Hortonworks, Inc., a Delaware corporation (together with any successor, the "Company"), hereby grants, sells and issues to the individual named below, the Shares at the Per Share Purchase Price, subject to the terms and conditions set forth in this Restricted Stock Award Notice (the "Award Notice"), the attached Restricted Stock Agreement (the "Agreement") and the Plan. The Grantee agrees to the provisions set forth herein and acknowledges that each such provision is a material condition of the Company' s agreement to issue and sell the Shares to him or her. The Company hereby acknowledges receipt of $**[ ]** in full payment for the Shares. All references to share prices and amounts herein shall be equitably adjusted to reflect stock splits, stock dividends, recapitalizations, mergers, reorganizations and similar changes affecting the capital stock of the Company, and any shares of capital stock of the Company received on or in respect of Shares in connection with any such event (including any shares of capital stock or any right, option or warrant to receive the same or any security convertible into or exchangeable for any such shares or received upon conversion of any such shares) shall be subject to this Agreement on the same basis and extent at the relevant time as the Shares in respect of which they were issued, and shall be deemed Shares as if and to the same extent they were issued at the date hereof.

| | |
|---|---|
| Name of Grantee: | _____ (the "Grantee") |
| No. of Shares: | _____ Shares of Common Stock (the "Shares") |
| Grant Date: | _____ __, _____ |
| Vesting Commencement Date: | _____ __, _____ (the "Vesting Commencement Date") |
| Per Share Purchase Price: | $_____ (the "Per Share Purchase Price") |
| Vesting Schedule: | 25 percent of the Shares shall vest on the first anniversary of the Vesting Commencement Date; provided that the Grantee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining 75 percent of the Shares shall vest in 36 equal monthly installments at the end of each month following the first anniversary of the Vesting Commencement Date, provided the Grantee continues to have a Service Relationship with the Company at such time. Notwithstanding anything in the Agreement to the contrary in the case of a Sale Event, the Shares of Restricted Stock shall be treated as provided in Section 3(c) of the Plan **[provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE].** |

Attachments: Restricted Stock Agreement, 2011 Stock Option and Grant Plan

**RESTRICTED STOCK AGREEMENT**
**UNDER THE HORTONWORKS, INC.**
**2011 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Award Notice and the Plan.

1. Purchase and Sale of Shares; Vesting; Investment Representations.

(a) Purchase and Sale. The Company hereby sells to the Grantee, and the Grantee hereby purchases from the Company, the number of Shares set forth in the Award Notice for the Per Share Purchase Price.

(b) Vesting. Initially, all of the Shares are non-transferable and subject to a substantial risk of forfeiture and are Shares of Restricted Stock. The risk of forfeiture shall lapse with respect to the Shares on the respective dates indicated on the Vesting Schedule set forth in the Award Notice.

(c) Investment Representations. In connection with the purchase and sale of the Shares contemplated by Section 1(a) above, the Grantee hereby represents and warrants to the Company as follows:

(i) The Grantee is purchasing the Shares for the Grantee' s own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) The Grantee has had such an opportunity as he or she has deemed adequate to obtain from the Company such information as is necessary to permit him or her to evaluate the merits and risks of the Grantee' s investment in the Company and has consulted with the Grantee' s own advisers with respect to the Grantee' s investment in the Company.

(iii) The Grantee has sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) The Grantee can afford a complete loss of the value of the Shares and is able to bear the economic risk of holding such Shares for an indefinite period.

(v) The Grantee understands that the Shares are not registered under the Act (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Act and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). The Grantee further acknowledges that certificates representing the Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) The Grantee has read and understands the Plan and acknowledges and agrees that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(vii) The Grantee understands and agrees that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) The Grantee understands and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) The Grantee understands and agrees that the Grantee may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

(x) The Grantee agrees to the transfer restrictions on the Grantee' s Shares set forth in the Agreement.

2. Repurchase Right. Upon a Termination Event or other Repurchase Event, the Company shall have the right to repurchase the Shares as set forth in Section 9(c) of the Plan; provided, however, that in the case of a Termination Event, the Company shall only have the right to repurchase Shares of Restricted Stock that are unvested as of the date of such Termination Event.

3. Restrictions on Transfer of Shares. The Shares (whether or not vested) shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan and any restrictions on transfer as set forth in the Company' s bylaws. Moreover, notwithstanding anything provided herein or in the Plan to the contrary, the Grantee may not Transfer (as defined below) the Shares, or any other shares of Common Stock previously or subsequently acquired by the Grantee, except in accordance with this Section 3.

(a) Restriction on Transfer. The Grantee may not sell, assign, transfer, pledge, encumber or in any manner dispose of ("Transfer") any of the Shares or any other shares of Common Stock of the Company previously or subsequently acquired by the Grantee (which for purposes of this Section 3 shall be deemed to be "Shares"), whether voluntarily or by operation of law, or by gift or otherwise, other than by means of a Permitted Transfer (as defined below). If any provision(s) of any agreement(s) currently in effect by and between the Company and the Grantee (the "Stockholder Agreement(s)") conflicts with this Section 3(a), this Section 3(a) shall govern, and the remaining provision(s) of the Stockholder Agreement(s) that do not conflict with this Section 3(a) shall continue in full force and effect, including any right of first refusal and/or co-sale rights of third parties in connection with the Transfer.

(b) Permitted Transfers. For purposes of this Section 3, a "Permitted Transfer" shall mean any of the following:

(i) any Transfer by the Grantee of any or all of the Shares to the Company;

(ii) any Transfer by the Grantee of any or all of the Shares for no consideration to the Grantee' s family members (as defined in Rule 701 of the Securities Act), to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners (to the extent such trusts or partnerships are considered "family members" for purposes of Rule 701 of the Securities Act), provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and this Agreement, including the restrictions on transfer contained herein;

(iii) any Transfer by the Grantee of any or all of the Shares effected pursuant to the Grantee' s will or the laws of intestate succession;

(iv) any Transfer permitted by written approval of the Company' s Board (the "Transfer Approval"), which Transfer Approval shall be granted or withheld in the sole and absolute discretion of the Board.

Notwithstanding the foregoing, if a Permitted Transfer is approved pursuant to subsection (iv) of this Section 3(b) and the Shares of the transferring party are subject to co-sale rights pursuant to a Stockholder Agreement (the "Co-Sale Rights"), the persons and/or entities entitled to the Co-Sale Rights shall be permitted to exercise their respective Co-Sale Rights in conjunction with that specific Permitted Transfer without any additional approval of the Board of Directors.

(c) Void Transfers. Any Transfer of Shares shall be null and void unless the terms, conditions and provisions of this Section 3 are strictly observed and followed.

(d) Termination of Restriction on Transfer. The foregoing restriction on transfer set forth in this Section 3 shall lapse upon the earlier of (i) immediately prior to the consummation of a Change in Control, or (ii) immediately prior to the Company' s first firm commitment underwritten public offering of its securities pursuant to a registration statement under the Securities Act of 1933, as amended.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Restricted Stock Award shall be subject to and governed by all the terms and conditions of the Plan.

5. Miscellaneous Provisions.

(a) Record Owner; Dividends. The Grantee and any Permitted Transferees, during the duration of this Agreement, shall be considered the record owners of and shall be entitled to vote the Shares if and to the extent the Shares are entitled to voting rights. The Grantee and any Permitted Transferees shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution.

(b) Section 83(b) Election. The Grantee shall consult with the Grantee' s tax advisor to determine whether it would be appropriate for the Grantee to make an election under Section 83(b) of the Code with respect to this Award. Any such election must be filed with the Internal Revenue Service within 30 days of the date of this Award. If the Grantee makes an election under Section 83(b) of the Code, the Grantee shall give prompt notice to the Company (and provide a copy of such election to the Company).

(c) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(d) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of California, without regard to conflict of law principles that would result in the application of any law other than the law of the State of California.

(f) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(g) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(h) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(i) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(j) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(k) Service. The Grantee acknowledges and agrees that the definition of Service Relationship in the Plan shall apply for all purposes (including, but not limited to, in any Restricted Stock Purchase Agreement between the Company and Grantee) of defining "Service" and/or "service" between the Company and the Grantee.

(l) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

6. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or the Shares, this Agreement, or the breach, termination or validity of the Plan, the Shares or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 - 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be San Francisco, California.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party' s witness or expert. The arbitrator' s decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator' s decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Grantee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 6 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a

defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

The foregoing Restricted Stock Agreement is hereby accepted and the terms and conditions thereof are hereby agreed to by the undersigned as of the date first above written.

Hortonworks, Inc.

By: _____
Name:
Title:

Address:

_____

_____

_____

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof and understands that the Shares granted hereby are subject to the terms of the Plan and of this Agreement, including, without limitation, Section 3 thereof. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Award Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 6 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

_____

Name:

Address:

_____

_____

_____

SPOUSE' S CONSENT
I acknowledge that I have read the
foregoing Restricted Stock Agreement
and understand the contents thereof.

_____

**Exhibit 10.3**

**HORTONWORKS, INC.**

**2014 STOCK OPTION AND INCENTIVE PLAN**

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Hortonworks, Inc. 2014 Stock Option and Incentive Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and Consultants of Hortonworks, Inc. (the "Company") and its Subsidiaries upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its businesses to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company' s welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company' s behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"*Act*" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"*Administrator*" means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

"*Award*" or "*Awards*," except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Units, Restricted Stock Awards, Unrestricted Stock Awards, Cash-Based Awards, Performance Share Awards and Dividend Equivalent Rights.

"*Award Certificate*" means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Certificate is subject to the terms and conditions of the Plan.

"*Board*" means the Board of Directors of the Company.

"*Cash-Based Award*" means an Award entitling the recipient to receive a cash-denominated payment.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"*Consultant*" means any natural person that provides bona fide services to the Company, and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company' s securities.

"*Covered Employee*" means an employee who is a "Covered Employee" within the meaning of Section 162(m) of the Code.

"*Dividend Equivalent Right*" means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

"*Effective Date*" means the date on which the Plan is approved by stockholders as set forth in Section 21.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"*Fair Market Value*" of the Stock on any given date means the fair market value of the Stock determined in good faith by the Administrator; provided, however, that if the Stock is admitted to quotation on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), NASDAQ Global Market or another national securities exchange, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations; provided further, however, that if the date for which Fair Market Value is determined is the first day when trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the "Price to the Public" (or equivalent) set forth on the cover page for the final prospectus relating to the Company' s Initial Public Offering.

"*Incentive Stock Option*" means any Stock Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"*Initial Public Offering*" means the consummation of the first underwritten, firm commitment public offering pursuant to an effective registration statement under the Act covering the offer and sale by the Company of its equity securities, or such other event as a result of or following which the Stock shall be publicly held.

"*Non-Employee Director*" means a member of the Board who is not also an employee of the Company or any Subsidiary.

"*Non-Qualified Stock Option*" means any Stock Option that is not an Incentive Stock Option.

"*Option"* or *"Stock Option*" means any option to purchase shares of Stock granted pursuant to Section 5.

"*Performance-Based Award*" means any Restricted Stock Award, Restricted Stock Units, Performance Share Award or Cash-Based Award granted to a Covered Employee that is intended to qualify as "performance-based compensation" under Section 162(m) of the Code and the regulations promulgated thereunder.

"*Performance Criteria*" means the criteria that the Administrator selects for purposes of establishing the Performance Goal or Performance Goals for an individual for a Performance Cycle. The Performance Criteria (which shall be applicable to the organizational level specified by the Administrator, including, but not limited to, the Company or a unit, division, group, or Subsidiary of the Company) that will be used to establish Performance Goals are limited to the following: total shareholder return, earnings before interest, taxes, depreciation and amortization, net income (loss) (either before or after interest, taxes, depreciation and/or amortization), changes in the market price of the Stock, economic value-added, funds from operations or similar measure, sales or revenue, acquisitions or strategic transactions, operating income (loss), cash flow (including, but not limited to, operating cash flow and free cash flow), return on capital, assets, equity, or investment, return on sales, gross or net profit levels, productivity, expense, margins, operating efficiency, customer satisfaction, working capital, earnings (loss) per share of Stock, sales or market shares and number of customers, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group. The Committee may appropriately adjust any evaluation performance under a Performance Criterion to exclude any of the following events that occurs during a Performance Cycle: (i) asset write-downs or impairments, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reporting results, (iv) accruals for reorganizations and restructuring programs, (v) any extraordinary non-recurring items, including those described in the Financial Accounting Standards Board' s authoritative guidance and/or in management' s discussion and analysis of financial condition of operations appearing the Company' s annual report to stockholders for the applicable year, and (vi) any other extraordinary items adjusted from the Company U.S. GAAP results.

"*Performance Cycle*" means one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Criteria will be measured for the purpose of determining a grantee' s right to and the payment of a Restricted Stock Award, Restricted Stock Units, Performance Share Award or Cash-Based Award, the vesting and/or payment of which is subject to the attainment of one or more Performance Goals. Each such period shall not be less than 12 months.

"*Performance Goals*" means, for a Performance Cycle, the specific goals established in writing by the Administrator for a Performance Cycle based upon the Performance Criteria.

"*Performance Share Award*" means an Award entitling the recipient to acquire shares of Stock upon the attainment of specified performance goals.

"*Registration Effective Time*" means the date and time at which the registration statement on Form S-1 that is filed by the Company with respect to the Initial Public Offering is declared effective by the Securities and Exchange Commission.

"*Restricted Shares*" means the shares of Stock underlying a Restricted Stock Award that remain subject to a risk of forfeiture or the Company' s right of repurchase.

"*Restricted Stock Award*" means an Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"*Restricted Stock Units*" means an Award of stock units subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"*Sale Event*" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company' s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company' s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

"*Sale Price*" means the value as determined by the Administrator of the consideration payable, or otherwise to be received by stockholders, per share of Stock pursuant to a Sale Event.

"*Section 409A*" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"*Stock*" means the Common Stock, par value $0.0001 per share, of the Company, subject to adjustments pursuant to Section 3.

"*Stock Appreciation Right*" means an Award entitling the recipient to receive shares of Stock having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

"*Subsidiary*" means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

"*Ten Percent Owner*" means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation.

"*Unrestricted Stock Award*" means an Award of shares of Stock free of any restrictions.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Unrestricted Stock Awards, Cash-Based Awards, Performance Share Awards and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of shares of Stock to be covered by any Award;

(iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the forms of Award Certificates;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award in circumstances involving the grantee' s death, disability, retirement or termination of employment, or a change in control (including a Sale Event);

(vi) subject to the provisions of Section 5(c), to extend at any time the period in which Stock Options may be exercised; and

(vii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Awards. Subject to applicable law, the Administrator, in its discretion, may delegate to the Chief Executive Officer of the Company all or part of the Administrator' s authority and duties with respect to the granting of Awards to individuals who are (i) not subject to the reporting and other provisions of Section 16 of the Exchange Act and (ii) not Covered Employees. Any such delegation by the Administrator shall include a limitation as to the amount of Stock underlying Awards that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator' s delegate or delegates that were consistent with the terms of the Plan.

(d) Award Certificate. Awards under the Plan shall be evidenced by Award Certificates that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

(e) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or

determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company' s articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(f) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be the sum of (i) 12,000,000 shares, subject to adjustment as provided in this Section 3 (the "Initial Limit"), (ii) the number of shares of Stock that remain available for grants under the Company' s 2011 Stock Option and Grant Plan, as amended (the "2011 Plan") immediately prior to the Registration Effective Time and (iii) on January 1, 2015 and each January 1 thereafter, the number of shares of Stock reserved and available for issuance under the Plan shall be cumulatively increased by five percent (5%) of the number of shares of Stock issued and outstanding on the immediately preceding December 31 (the "Annual Increase"), subject, in each case, to adjustment as provided in Section 3(b). Subject to such overall limitations, the maximum aggregate number of shares of Stock that may be issued in the form of Incentive Stock Options shall not exceed the Initial Limit cumulatively increased on January 1, 2015 and on each January 1 thereafter by the lesser of the Annual Increase for such year or 12,000,000 shares of Stock, subject in all cases to adjustment as provided in Section 3(b). For purposes hereof, the shares of Stock underlying any Awards that are forfeited, canceled, held back upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan. In the event the Company repurchases shares of Stock on the open market, such shares shall not be added to the shares of Stock available for issuance

under the Plan. Subject to such overall limitations, shares of Stock may be issued up to such maximum number pursuant to any type or types of Award; provided, however, that Stock Options or Stock Appreciation Rights with respect to no more than 8,000,000 shares of Stock may be granted to any one individual grantee during any one calendar year period. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company.

(b) [RESERVED]

(c) Changes in Stock. Subject to Section 3(d) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company' s capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, including the maximum number of shares that may be issued in the form of Incentive Stock Options, (ii) the number of Stock Options or Stock Appreciation Rights that can be granted to any one individual grantee and the maximum number of shares that may be granted under a Performance-Based Award, (iii) the number and kind of shares or other securities subject to any then outstanding Awards under the Plan, (iv) the repurchase price, if any, per share subject to each outstanding Restricted Stock Award, and (v) the exercise price for each share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(d) Mergers and Other Transactions. Except as the Administrator may otherwise specify with respect to particular Awards in the relevant Award Certificate, in the case of and subject to the consummation of a Sale Event, the parties thereto may cause the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree. To the extent the parties to such Sale Event do not provide for the assumption, continuation or substitution of Awards, upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate. In the event of such termination, (i) the Company shall have the option (in its sole discretion) to make or provide for a cash payment to the grantees holding Options and Stock Appreciation Rights, in exchange for

the cancellation thereof, in an amount equal to the difference between (A) the Sale Price multiplied by the number of shares of Stock subject to outstanding Options and Stock Appreciation Rights (to the extent then exercisable at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Options and Stock Appreciation Rights; or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Stock Appreciation Rights (to the extent then exercisable) held by such grantee.

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, Non-Employee Directors and Consultants of the Company and its Subsidiaries as are selected from time to time by the Administrator in its sole discretion.

SECTION 5. STOCK OPTIONS

(a) Award of Stock Options. The Administrator may grant Stock Options under the Plan. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

Stock Options granted pursuant to this Section 5 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable. If the Administrator so determines, Stock Options may be granted in lieu of cash compensation at the optionee' s election, subject to such terms and conditions as the Administrator may establish.

(b) Exercise Price. The exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the option price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date.

(c) Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the date of grant.

(d) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any Stock Option. An optionee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(e) Method of Exercise. Stock Options may be exercised in whole or in part, by giving written or electronic notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods except to the extent otherwise provided in the Option Award Certificate:

(i) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) Through the delivery (or attestation to the ownership following such procedures as the Company may prescribe) of shares of Stock that are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(iii) By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Company shall prescribe as a condition of such payment procedure; or

(iv) With respect to Stock Options that are not Incentive Stock Options, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Option Award Certificate or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

(f) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary

corporations become exercisable for the first time by an optionee during any calendar year shall not exceed $100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

SECTION 6. STOCK APPRECIATION RIGHTS

(a) Award of Stock Appreciation Rights. The Administrator may grant Stock Appreciation Rights under the Plan. A Stock Appreciation Right is an Award entitling the recipient to receive shares of Stock having a value equal to the excess of the Fair Market Value of a share of Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

(b) Exercise Price of Stock Appreciation Rights. The exercise price of a Stock Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Stock on the date of grant.

(c) Grant and Exercise of Stock Appreciation Rights. Stock Appreciation Rights may be granted by the Administrator independently of any Stock Option granted pursuant to Section 5 of the Plan.

(d) Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined from time to time by the Administrator. The term of a Stock Appreciation Right may not exceed ten years.

SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator may grant Restricted Stock Awards under the Plan. A Restricted Stock Award is any Award of Restricted Shares subject to such restrictions and conditions as the Administrator may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award Certificate shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee shall have the rights of a stockholder with respect to the voting of the Restricted Shares and receipt of dividends; provided that if the lapse of restrictions with respect to the Restricted Stock Award is tied to the attainment of performance goals, any dividends paid by the Company during the performance period shall accrue and shall not be paid to the grantee until and to the extent the performance goals are met with respect to the Restricted Stock Award. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Shares shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Shares are vested as provided in Section 7(d) below, and (ii) certificated Restricted Shares shall remain in the possession of the Company until such Restricted Shares are vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Certificate. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, if a grantee' s employment (or other service relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Shares that have not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee' s legal representative simultaneously with such termination of employment (or other service relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a stockholder. Following such deemed reacquisition of Restricted Shares that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Shares. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Shares and the Company' s right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Shares and shall be deemed "vested."

SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Administrator may grant Restricted Stock Units under the Plan. A Restricted Stock Unit is an Award of stock units that may be settled in shares of Stock upon the satisfaction of such restrictions and conditions at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award Certificate shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Except in the case of Restricted Stock Units with a deferred settlement date that complies with Section 409A, at the end of the vesting period, the Restricted Stock Units, to the extent vested, shall be settled in the form of shares of Stock. Restricted Stock Units with deferred settlement dates are subject to Section 409A and shall contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order to comply with the requirements of Section 409A.

(b) Election to Receive Restricted Stock Units in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of an award of Restricted Stock Units. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of Restricted Stock Units based on the Fair Market Value of Stock on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections

and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate. Any Restricted Stock Units that are elected to be received in lieu of cash compensation shall be fully vested, unless otherwise provided in the Award Certificate.

(c) Rights as a Stockholder. A grantee shall have the rights as a stockholder only as to shares of Stock acquired by the grantee upon settlement of Restricted Stock Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the stock units underlying his Restricted Stock Units, subject to the provisions of Section 11 and such terms and conditions as the Administrator may determine.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, a grantee' s right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee' s termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

## SECTION 9. UNRESTRICTED STOCK AWARDS

Grant or Sale of Unrestricted Stock. The Administrator may grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Stock Award under the Plan. An Unrestricted Stock Award is an Award pursuant to which the grantee may receive shares of Stock free of any restrictions under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

## SECTION 10. CASH-BASED AWARDS

Grant of Cash-Based Awards. The Administrator may grant Cash-Based Awards under the Plan. A Cash-Based Award is an Award that entitles the grantee to a payment in cash upon the attainment of specified Performance Goals. The Administrator shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash.

## SECTION 11. PERFORMANCE SHARE AWARDS

(a) Nature of Performance Share Awards. The Administrator may grant Performance Share Awards under the Plan. A Performance Share Award is an Award entitling the grantee to receive shares of Stock upon the attainment of performance goals. The Administrator shall determine whether and to whom Performance Share Awards shall be granted, the performance goals, the periods during which performance is to be measured, which may not be less than one year except in the case of a Sale Event, and such other limitations and conditions as the Administrator shall determine.

(b) Rights as a Stockholder. A grantee receiving a Performance Share Award shall have the rights of a stockholder only as to shares of Stock actually received by the grantee under the Plan and not with respect to shares subject to the Award but not actually received by the grantee. A grantee shall be entitled to receive shares of Stock under a Performance Share Award only upon satisfaction of all conditions specified in the Performance Share Award Certificate (or in a performance plan adopted by the Administrator).

(c) Termination. Except as may otherwise be provided by the Administrator either in the Award agreement or, subject to Section 18 below, in writing after the Award is issued, a grantee' s rights in all Performance Share Awards shall automatically terminate upon the grantee' s termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 12. PERFORMANCE-BASED AWARDS TO COVERED EMPLOYEES

(a) Performance-Based Awards. The Administrator may grant one or more Performance-Based Awards in the form of a Restricted Stock Award, Restricted Stock Units, Performance Share Awards or Cash-Based Award payable upon the attainment of Performance Goals that are established by the Administrator and relate to one or more of the Performance Criteria, in each case on a specified date or dates or over any period or periods determined by the Administrator. The Administrator shall define in an objective fashion the manner of calculating the Performance Criteria it selects to use for any Performance Cycle. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or an individual. Each Performance-Based Award shall comply with the provisions set forth below.

(b) Grant of Performance-Based Awards. With respect to each Performance-Based Award granted to a Covered Employee, the Administrator shall select, within the first 90 days of a Performance Cycle (or, if shorter, within the maximum period allowed under Section 162(m) of the Code) the Performance Criteria for such grant, and the Performance Goals with respect to each Performance Criterion (including a threshold level of performance below which no amount will become payable with respect to such Award). Each Performance-Based Award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. The Performance Criteria established by the Administrator may be (but need not be) different for each Performance Cycle and different Performance Goals may be applicable to Performance-Based Awards to different Covered Employees.

(c) Payment of Performance-Based Awards. Following the completion of a Performance Cycle, the Administrator shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved and, if so, to also calculate and certify in writing the amount of the Performance-Based Awards earned for the Performance Cycle. The Administrator shall then determine the actual size of each Covered Employee' s Performance-Based Award.

(d) Maximum Award Payable. The maximum Performance-Based Award payable to any one Covered Employee under the Plan for a Performance Cycle is 8,000,000 shares of Stock (subject to adjustment as provided in Section 3(c) hereof) or $5 million in the case of a Performance-Based Award that is a Cash-Based Award.

SECTION 13. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. The Administrator may grant Dividend Equivalent Rights under the Plan. A Dividend Equivalent Right is an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other Award to which it relates) if such shares had been issued to the grantee. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of an award of Restricted Stock Units, Restricted Stock Award or Performance Share Award or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Certificate. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of an Award of Restricted Stock Units or Performance Share Award shall provide that such Dividend Equivalent Right shall be settled only upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award.

(b) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 18 below, in writing after the Award is issued, a grantee' s rights in all Dividend Equivalent Rights shall automatically terminate upon the grantee' s termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 14. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 14(b) below, during a grantee' s lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee' s legal representative or guardian in the event of the grantee' s incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 14(a), the Administrator, in its discretion, may provide either in the Award Certificate regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Non-Qualified Options to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners,

provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award. In no event may an Award be transferred by a grantee for value.

(c) Family Member. For purposes of Section 14(b), "family member" shall mean a grantee' s child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee' s household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. To the extent permitted by the Company, each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee' s death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee' s estate.

SECTION 15. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includable in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company' s obligation to deliver evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. Subject to approval by the Administrator, a grantee may elect to have the Company' s minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due. The Administrator may also require Awards to be subject to mandatory share withholding up to the required withholding amount. For purposes of share withholding, the Fair Market Value of withheld shares shall be determined in the same manner as the value of Stock includible in income of the Participants.

SECTION 16. SECTION 409A AWARDS

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be

subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee' s separation from service, or (ii) the grantee' s death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any such Award may not be accelerated except to the extent permitted by Section 409A.

SECTION 17. TERMINATION OF EMPLOYMENT, TRANSFER, LEAVE OF ABSENCE, ETC.

(a) Termination of Employment. If the grantee' s employer ceases to be a Subsidiary, the grantee shall be deemed to have terminated employment for purposes of the Plan.

(b) For purposes of the Plan, the following events shall not be deemed a termination of employment:

(i) a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another; or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee' s right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

SECTION 18. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the holder' s consent. Except as provided in Section 3(c) or 3(d), without prior stockholder approval, in no event may the Administrator exercise its discretion to reduce the exercise price of outstanding Stock Options or Stock Appreciation Rights or effect repricing through cancellation and re-grants or cancellation of Stock Options or Stock Appreciation Rights in exchange for cash. To the extent required under the rules of any securities exchange or market system on which the Stock is listed, to the extent determined by the Administrator to be required by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code, or to ensure that compensation earned under Awards qualifies as performance-based compensation under Section 162(m) of the Code, Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 18 shall limit the Administrator' s authority to take any action permitted pursuant to Section 3(c) or 3(d).

SECTION 19. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company' s obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 20. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) Delivery of Stock Certificates. Stock certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee' s last known address on file with the Company. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a Stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee' s last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing shares of Stock pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. All Stock certificates delivered pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) Stockholder Rights. Until Stock is deemed delivered in accordance with Section 20(b), no right to vote or receive dividends or any other rights of a stockholder will exist with respect to shares of Stock to be issued in connection with an Award, notwithstanding the exercise of a Stock Option or any other action by the grantee with respect to an Award.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company' s insider trading policies and procedures, as in effect from time to time.

(f) Clawback Policy. Awards under the Plan shall be subject to the Company' s clawback policy, as in effect from time to time.

SECTION 21. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon the last to occur of (a) stockholder approval of the Plan in accordance with applicable state law, the Company' s bylaws and articles of incorporation, and applicable stock exchange rules or pursuant to written consent or (b) immediately prior to the date of the Registration Effective Time. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the Effective Date and no grants of Incentive Stock Options may be made hereunder after the tenth anniversary of the date the Plan is approved by the Board.

SECTION 22. GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware applied without regard to conflict of law principles.

DATE APPROVED BY BOARD OF DIRECTORS:

DATE APPROVED BY STOCKHOLDERS:

**INCENTIVE STOCK OPTION AGREEMENT**
**UNDER THE HORTONWORKS, INC.**
**2014 STOCK OPTION AND INCENTIVE PLAN**

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: $_____
**[FMV on Grant Date (110% of FMV if a 10% owner)]**

Grant Date: _____

Expiration Date: _____
**[up to 10 years (5 if a 10% owner)]**

Pursuant to the Hortonworks, Inc. 2014 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Hortonworks, Inc. (the "Company") hereby grants to the Optionee named above an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $[ ] per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as the Optionee remains an employee of the Company or a Subsidiary on such dates:

| Incremental Number of Option Shares Exercisable* | Exercisability Date |
|---|---|
| ( %) | |
| ( %) | |
| ( %) | |
| ( %) | |
| ( %) | |

* Max. of $100,000 per yr.

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; or (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; or (iv) a combination of (i), (ii) and (iii) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company' s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee' s name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee' s employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee' s employment terminates by reason of the Optionee' s death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee' s legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee' s employment terminates by reason of the Optionee' s disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such disability, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee' s employment terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee' s duties to the Company.

(d) Other Termination. If the Optionee' s employment terminates for any reason other than the Optionee' s death, the Optionee' s disability, or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator' s determination of the reason for termination of the Optionee' s employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee' s lifetime, only by the Optionee, and thereafter, only by the Optionee' s legal representative or legatee.

6. Status of the Stock Option. This Stock Option is intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), but the Company does not represent or warrant that this Stock Option qualifies as such. The Optionee should consult with his or her own tax advisors regarding the tax effects of this Stock Option and the requirements necessary to obtain favorable income tax treatment under Section 422 of the Code, including, but not limited to, holding period requirements. To the extent any portion of this Stock Option does not so qualify as an "incentive stock option," such portion shall be deemed to be a non-qualified stock option. If the Optionee intends to dispose or does dispose (whether by sale, gift, transfer or otherwise) of any Option Shares within the one-year period beginning on the date after the transfer of such shares to him or her, or within the two-year period beginning on the day after the grant of this Stock Option, he or she will so notify the Company within 30 days after such disposition.

7. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the minimum required tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the minimum withholding amount due.

8. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number,

home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

HORTONWORKS, INC.

By: _____
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company' s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____
Optionee' s Signature

Optionee' s name and address:

_____
_____
_____

**NON-QUALIFIED STOCK OPTION AGREEMENT**
**FOR CONSULTANTS**
**UNDER THE HORTONWORKS, INC.**
**2014 STOCK OPTION AND INCENTIVE PLAN**

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: $_____
**[FMV on Grant Date]**

Grant Date: _____

Expiration Date: _____
**[No more than 10 years]**

Pursuant to the Hortonworks, Inc. 2014 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Hortonworks, Inc. (the "Company") hereby grants to the Optionee named above, who is a Consultant (as defined below) of the Company, an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $[ ] per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

"Consultant" means any natural person that provides bona fide services to the Company (including a Subsidiary), and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company' s securities.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as the Optionee remains in service to the Company or a Subsidiary as a Consultant on such dates:

| Incremental Number of Option Shares Exercisable | Exercisability Date |
|---|---|
| ( %) | |
| ( %) | |
| ( %) | |
| ( %) | |
| ( %) | |

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company' s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the

purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee' s name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination as Consultant.

(a) If the Optionee ceases to be a Consultant to the Company or a Subsidiary for any reason other than for Cause, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date the Optionee ceased to provide services, for a period of three months from the date the Optionee ceased to provide services or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date the Optionee ceases to be a Consultant to the Company or a Subsidiary shall terminate immediately and be of no further force or effect.

(b) Termination for Cause. If the Optionee' s service terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an a written agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee' s duties to the Company.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee' s lifetime, only by the Optionee, and thereafter, only by the Optionee' s legal representative or legatee.

6. No Obligation to Continue as a Consultant or Service Provider. Neither the Plan nor this Stock Option confers upon the Optionee any rights with respect to continuance as a Consultant or other service provider to the Company or a Subsidiary.

7. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

8. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Optionee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Optionee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Optionee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

9. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

HORTONWORKS, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company' s instructions to the Optionee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee' s Signature

Optionee' s name and address:

_____

_____

_____

**NON-QUALIFIED STOCK OPTION AGREEMENT**
**FOR COMPANY EMPLOYEES**
**UNDER HORTONWORKS, INC.**
**2014 STOCK OPTION AND INCENTIVE PLAN**

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: $_____
**[FMV on Grant Date]**

Grant Date: _____

Expiration Date: _____

Pursuant to the Hortonworks, Inc. 2014 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Hortonworks, Inc. (the "Company") hereby grants to the Optionee named above an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $[ ] per share (the "Stock") of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as Optionee remains an employee of the Company or a Subsidiary on such dates:

| Incremental Number of Option Shares Exercisable | Exercisability Date |
|---|---|
| ( %) | |
| ( %) | |
| ( %) | |
| ( %) | |
| ( %) | |

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company' s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee' s name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination of Employment. If the Optionee' s employment by the Company or a Subsidiary (as defined in the Plan) is terminated, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee' s employment terminates by reason of the Optionee' s death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee' s legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Termination Due to Disability. If the Optionee' s employment terminates by reason of the Optionee' s disability (as determined by the Administrator), any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of such disability, may thereafter be exercised by the Optionee for a period of 12 months from the date of disability or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of disability shall terminate immediately and be of no further force or effect.

(c) Termination for Cause. If the Optionee' s employment terminates for Cause, any portion of this Stock Option outstanding on such date shall terminate immediately and be of no further force and effect. For purposes hereof, "Cause" shall mean, unless otherwise provided in an employment agreement between the Company and the Optionee, a determination by the Administrator that the Optionee shall be dismissed as a result of (i) any material breach by the Optionee of any agreement between the Optionee and the Company; (ii) the conviction of, indictment for or plea of nolo contendere by the Optionee to a felony or a crime involving moral turpitude; or (iii) any material misconduct or willful and deliberate non-performance (other than by reason of disability) by the Optionee of the Optionee' s duties to the Company.

(d) Other Termination. If the Optionee' s employment terminates for any reason other than the Optionee' s death, the Optionee' s disability or Cause, and unless otherwise determined by the Administrator, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date of termination, for a period of three months from the date of termination or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of termination shall terminate immediately and be of no further force or effect.

The Administrator' s determination of the reason for termination of the Optionee' s employment shall be conclusive and binding on the Optionee and his or her representatives or legatees.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee' s lifetime, only by the Optionee, and thereafter, only by the Optionee' s legal representative or legatee.

6. Tax Withholding. The Optionee shall, not later than the date as of which the exercise of this Stock Option becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the minimum required tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued to the Optionee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the minimum withholding amount due.

7. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Optionee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

HORTONWORKS, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company' s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee' s Signature

Optionee' s name and address:

_____

_____

_____

**NON-QUALIFIED STOCK OPTION AGREEMENT**
**FOR NON-EMPLOYEE DIRECTORS**
**UNDER HORTONWORKS, INC.**
**2014 STOCK OPTION AND INCENTIVE PLAN**

Name of Optionee: _____

No. of Option Shares: _____

Option Exercise Price per Share: **$** _____

**[FMV on Grant Date]**

Grant Date: _____

Expiration Date: _____

**[No more than 10 years]**

Pursuant to the Hortonworks, Inc. 2014 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Hortonworks, Inc. (the "Company") hereby grants to the Optionee named above, who is a Director of the Company but is not an employee of the Company, an option (the "Stock Option") to purchase on or prior to the Expiration Date specified above all or part of the number of shares of Common Stock, par value $[ ] per share (the "Stock"), of the Company specified above at the Option Exercise Price per Share specified above subject to the terms and conditions set forth herein and in the Plan. This Stock Option is not intended to be an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended.

1. Exercisability Schedule. No portion of this Stock Option may be exercised until such portion shall have become exercisable. Except as set forth below, and subject to the discretion of the Administrator (as defined in Section 2 of the Plan) to accelerate the exercisability schedule hereunder, this Stock Option shall be exercisable with respect to the following number of Option Shares on the dates indicated so long as the Optionee remains in service as a member of the Board on such dates:

| Incremental Number of Option Shares Exercisable | Exercisability Date |
|---|---|
| ( %) | |
| ( %) | |
| ( %) | |
| ( %) | |
| ( %) | |

Once exercisable, this Stock Option shall continue to be exercisable at any time or times prior to the close of business on the Expiration Date, subject to the provisions hereof and of the Plan.

2. Manner of Exercise.

(a) The Optionee may exercise this Stock Option only in the following manner: from time to time on or prior to the Expiration Date of this Stock Option, the Optionee may give written notice to the Administrator of his or her election to purchase some or all of the Option Shares purchasable at the time of such notice. This notice shall specify the number of Option Shares to be purchased.

Payment of the purchase price for the Option Shares may be made by one or more of the following methods: (i) in cash, by certified or bank check or other instrument acceptable to the Administrator; (ii) through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the Optionee on the open market or that are beneficially owned by the Optionee and are not then subject to any restrictions under any Company plan and that otherwise satisfy any holding periods as may be required by the Administrator; (iii) by the Optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company to pay the option purchase price, provided that in the event the Optionee chooses to pay the option purchase price as so provided, the Optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure; (iv) by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price; or (v) a combination of (i), (ii), (iii) and (iv) above. Payment instruments will be received subject to collection.

The transfer to the Optionee on the records of the Company or of the transfer agent of the Option Shares will be contingent upon (i) the Company' s receipt from the Optionee of the full purchase price for the Option Shares, as set forth above, (ii) the fulfillment of any other requirements contained herein or in the Plan or in any other agreement or provision of laws, and (iii) the receipt by the Company of any agreement, statement or other evidence that the Company may require to satisfy itself that the issuance of Stock to be purchased pursuant to the exercise of Stock Options under the Plan and any subsequent resale of the shares of Stock will be in compliance with applicable laws and regulations. In the event the Optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the Optionee upon the exercise of the Stock Option shall be net of the Shares attested to.

(b) The shares of Stock purchased upon exercise of this Stock Option shall be transferred to the Optionee on the records of the Company or of the transfer agent upon compliance to the satisfaction of the Administrator with all requirements under applicable laws or regulations in connection with such transfer and with the requirements hereof and of the Plan. The determination of the Administrator as to such compliance shall be final and binding on the Optionee. The Optionee shall not be deemed to be the holder of, or to have any of the rights of a

holder with respect to, any shares of Stock subject to this Stock Option unless and until this Stock Option shall have been exercised pursuant to the terms hereof, the Company or the transfer agent shall have transferred the shares to the Optionee, and the Optionee' s name shall have been entered as the stockholder of record on the books of the Company. Thereupon, the Optionee shall have full voting, dividend and other ownership rights with respect to such shares of Stock.

(c) The minimum number of shares with respect to which this Stock Option may be exercised at any one time shall be 100 shares, unless the number of shares with respect to which this Stock Option is being exercised is the total number of shares subject to exercise under this Stock Option at the time.

(d) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date hereof.

3. Termination as Director. If the Optionee ceases to be a Director of the Company, the period within which to exercise the Stock Option may be subject to earlier termination as set forth below.

(a) Termination Due to Death. If the Optionee' s service as a Director terminates by reason of the Optionee' s death, any portion of this Stock Option outstanding on such date, to the extent exercisable on the date of death, may thereafter be exercised by the Optionee' s legal representative or legatee for a period of 12 months from the date of death or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date of death shall terminate immediately and be of no further force or effect.

(b) Other Termination. If the Optionee ceases to be a Director for any reason other than the Optionee' s death, any portion of this Stock Option outstanding on such date may be exercised, to the extent exercisable on the date the Optionee ceased to be a Director, for a period of six months from the date the Optionee ceased to be a Director or until the Expiration Date, if earlier. Any portion of this Stock Option that is not exercisable on the date the Optionee ceases to be a Director shall terminate immediately and be of no further force or effect.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

5. Transferability. This Agreement is personal to the Optionee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution. This Stock Option is exercisable, during the Optionee' s lifetime, only by the Optionee, and thereafter, only by the Optionee' s legal representative or legatee.

6. No Obligation to Continue as a Director. Neither the Plan nor this Stock Option confers upon the Optionee any rights with respect to continuance as a Director.

7. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

8. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

9. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Optionee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

HORTONWORKS, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company' s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Optionee' s Signature

Optionee' s name and address:

_____

_____

_____

**RESTRICTED STOCK AWARD AGREEMENT**
**UNDER THE HORTONWORKS, INC.**
**2014 STOCK OPTION AND INCENTIVE PLAN**

Name of Grantee: _____

No. of Shares: _____

Grant Date: _____

Pursuant to the Hortonworks, Inc. 2014 Stock Option and Incentive Plan (the "Plan") as amended through the date hereof, Hortonworks, Inc. (the "Company") hereby grants a Restricted Stock Award (an "Award") to the Grantee named above. Upon acceptance of this Award, the Grantee shall receive the number of shares of Common Stock, par value $[ ] per share (the "Stock") of the Company specified above, subject to the restrictions and conditions set forth herein and in the Plan. The Company acknowledges the receipt from the Grantee of consideration with respect to the par value of the Stock in the form of cash, past or future services rendered to the Company by the Grantee or such other form of consideration as is acceptable to the Administrator.

1. Award. The shares of Restricted Stock awarded hereunder shall be issued and held by the Company' s transfer agent in book entry form, and the Grantee' s name shall be entered as the stockholder of record on the books of the Company. Thereupon, the Grantee shall have all the rights of a stockholder with respect to such shares, including voting and dividend rights, subject, however, to the restrictions and conditions specified in Paragraph 2 below. The Grantee shall (i) sign and deliver to the Company a copy of this Award Agreement and (ii) deliver to the Company a stock power endorsed in blank.

2. Restrictions and Conditions.

(a) Any book entries for the shares of Restricted Stock granted herein shall bear an appropriate legend, as determined by the Administrator in its sole discretion, to the effect that such shares are subject to restrictions as set forth herein and in the Plan.

(b) Shares of Restricted Stock granted herein may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of by the Grantee prior to vesting.

(c) If the Grantee' s employment with the Company and its Subsidiaries is voluntarily or involuntarily terminated for any reason (including death) prior to vesting of shares of Restricted Stock granted herein, all shares of Restricted Stock shall immediately and automatically be forfeited and returned to the Company.

3. Vesting of Restricted Stock. The restrictions and conditions in Paragraph 2 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains an employee of the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 2 shall lapse only with respect to the number of shares of Restricted Stock specified as vested on such date.

| Incremental Number of Shares Vested | Vesting Date |
|---|---|
| ( %) | |
| ( %) | |
| ( %) | |
| ( %) | |
| ( %) | |

Subsequent to such Vesting Date or Dates, the shares of Stock on which all restrictions and conditions have lapsed shall no longer be deemed Restricted Stock. The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 3.

4. Dividends. Dividends on shares of Restricted Stock shall be paid currently to the Grantee.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Award shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Transferability. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

7. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. Except in the case where an election is made pursuant to Paragraph 8 below, the Company shall have the authority to cause the required minimum tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued or released by the transfer agent a number of shares of Stock with an aggregate Fair Market Value that would satisfy the minimum withholding amount due.

8. Election Under Section 83(b). The Grantee and the Company hereby agree that the Grantee may, within 30 days following the Grant Date of this Award, file with the Internal Revenue Service and the Company an election under Section 83(b) of the Internal Revenue Code. In the event the Grantee makes such an election, he or she agrees to provide a copy of the election to the Company. The Grantee acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents with regard to such election.

9. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

10. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

11. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

12. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

HORTONWORKS, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company' s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Grantee' s Signature

Grantee' s name and address:

_____

_____

_____

**RESTRICTED STOCK UNIT AWARD AGREEMENT**
**FOR COMPANY EMPLOYEES**
**UNDER THE HORTONWORKS, INC.**
**2014 STOCK OPTION AND INCENTIVE PLAN**

Name of Grantee: _____

No. of Restricted Stock Units: _____

Grant Date: _____

Pursuant to the Hortonworks, Inc. 2014 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Hortonworks, Inc. (the "Company") hereby grants an award of the number of Restricted Stock Units listed above (an "Award") to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $[ ] per share (the "Stock") of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains an employee of the Company or a Subsidiary on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

| Incremental Number of Restricted Stock Units Vested | Vesting Date |
|---|---|
| ( %) | |
| ( %) | |
| ( %) | |
| ( %) | |

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.

3. Termination of Employment. If the Grantee' s employment with the Company and its Subsidiaries terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Company shall have the authority to cause the required minimum tax withholding obligation to be satisfied, in whole or in part, by withholding from shares of Stock to be issued to the Grantee a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due.

7. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

8. No Obligation to Continue Employment. Neither the Company nor any Subsidiary is obligated by or as a result of the Plan or this Agreement to continue the Grantee in employment and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary to terminate the employment of the Grantee at any time.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

10. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv)

authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

11. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

HORTONWORKS, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company' s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Grantee' s Signature

Grantee' s name and address:

_____

_____

_____

**RESTRICTED STOCK UNIT AWARD AGREEMENT**
**FOR NON-EMPLOYEE DIRECTORS**
**UNDER HORTONWORKS, INC.**
**2014 STOCK OPTION AND INCENTIVE PLAN**

Name of Grantee: _____

No. of Restricted Stock Units: _____

Grant Date: _____

Pursuant to the Hortonworks, Inc. 2014 Stock Option and Incentive Plan as amended through the date hereof (the "Plan"), Hortonworks, Inc. (the "Company") hereby grants an award of the number of Restricted Stock Units listed above (an "Award") to the Grantee named above. Each Restricted Stock Unit shall relate to one share of Common Stock, par value $[ ] per share (the "Stock") of the Company.

1. Restrictions on Transfer of Award. This Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, and any shares of Stock issuable with respect to the Award may not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of until (i) the Restricted Stock Units have vested as provided in Paragraph 2 of this Agreement and (ii) shares of Stock have been issued to the Grantee in accordance with the terms of the Plan and this Agreement.

2. Vesting of Restricted Stock Units. The restrictions and conditions of Paragraph 1 of this Agreement shall lapse on the Vesting Date or Dates specified in the following schedule so long as the Grantee remains in service as a member of the Board on such Dates. If a series of Vesting Dates is specified, then the restrictions and conditions in Paragraph 1 shall lapse only with respect to the number of Restricted Stock Units specified as vested on such date.

| Incremental Number of Restricted Stock Units Vested | Vesting Date |
|---|---|
| ( %) | |
| ( %) | |
| ( %) | |
| ( %) | |

The Administrator may at any time accelerate the vesting schedule specified in this Paragraph 2.

3. Termination of Service. If the Grantee' s service with the Company and its Subsidiaries terminates for any reason (including death or disability) prior to the satisfaction of the vesting conditions set forth in Paragraph 2 above, any Restricted Stock Units that have not vested as of such date shall automatically and without notice terminate and be forfeited, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such unvested Restricted Stock Units.

4. Issuance of Shares of Stock. As soon as practicable following each Vesting Date (but in no event later than two and one-half months after the end of the year in which the Vesting Date occurs), the Company shall issue to the Grantee the number of shares of Stock equal to the aggregate number of Restricted Stock Units that have vested pursuant to Paragraph 2 of this Agreement on such date and the Grantee shall thereafter have all the rights of a stockholder of the Company with respect to such shares.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in Section 2(b) of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein.

6. Section 409A of the Code. This Agreement shall be interpreted in such a manner that all provisions relating to the settlement of the Award are exempt from the requirements of Section 409A of the Code as "short-term deferrals" as described in Section 409A of the Code.

7. No Obligation to Continue as a Director. Neither the Plan nor this Award confers upon the Grantee any rights with respect to continuance as a Director.

8. Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

9. Data Privacy Consent. In order to administer the Plan and this Agreement and to implement or structure future equity grants, the Company, its subsidiaries and affiliates and certain agents thereof (together, the "Relevant Companies") may process any and all personal or professional data, including but not limited to Social Security or other identification number, home address and telephone number, date of birth and other information that is necessary or desirable for the administration of the Plan and/or this Agreement (the "Relevant Information"). By entering into this Agreement, the Grantee (i) authorizes the Company to collect, process, register and transfer to the Relevant Companies all Relevant Information; (ii) waives any privacy rights the Grantee may have with respect to the Relevant Information; (iii) authorizes the Relevant Companies to store and transmit such information in electronic form; and (iv) authorizes the transfer of the Relevant Information to any jurisdiction in which the Relevant Companies consider appropriate. The Grantee shall have access to, and the right to change, the Relevant Information. Relevant Information will only be used in accordance with applicable law.

10. Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Grantee at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

**HORTONWORKS, INC.**

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned. Electronic acceptance of this Agreement pursuant to the Company' s instructions to the Grantee (including through an online acceptance process) is acceptable.

Dated: _____

_____

Grantee' s Signature

Grantee' s name and address:

_____

_____

_____

**Exhibit 10.4.1**

# EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of the 30th day of October, 2014 (the "Effective Date"), between Hortonworks, Inc., a Delaware corporation (the "Company"), and Robert Bearden (the "Executive").

WHEREAS, the Executive is party to an offer letter agreement with the Company dated June 21, 2011, (the "Offer Letter") and the Proprietary Information and Inventions Agreement between the Company and the Executive dated June 17, 2011 (the "Proprietary Agreement"); and

WHEREAS, the Executive holds options to purchase shares of the Company' s common stock and/or shares of restricted stock of the Company that were granted or purchased prior to September 12, 2014 (the "Existing Equity Awards");

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company and the Executive desire to continue their employment relationship pursuant to the terms of this Agreement, until this Agreement is terminated by either party in accordance with the provisions of Section 3 (such period of employment, the "Term"). The Executive' s employment with the Company will be "at will," meaning that the Executive' s employment may be terminated by the Company or the Executive at any time and for any reason.

(b) Position and Duties. During the Term, the Executive shall serve as the Chief Executive Officer of the Company, and shall have supervision and control over and responsibility for the day-to-day business and affairs of the Company and shall have such other powers and duties as may from time to time be prescribed by the Chairman of the Board of Directors of the Company (the "Board"), provided that such duties are consistent with the Executive' s position or other positions that he may hold from time to time. The Executive shall devote his full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the approval of the Board, or engage in religious, charitable or other community activities as long as such services and activities are disclosed to the Board and do not materially interfere with the Executive' s performance of his duties to the Company as provided in this Agreement.

2. Compensation and Related Matters.

(a) Base Salary. Effective on such date as determined by the Board, the Executive' s annual base salary shall be adjusted to $275,000. The Executive' s base salary shall be redetermined annually by the Board or the Compensation Committee. The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent with the Company' s usual payroll practices for senior executives.

(b) Incentive Compensation. During the Term, the Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. Effective on such date as determined by the Board, the Executive' s target annual incentive compensation shall be adjusted to $300,000. To earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by him during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers.

(d) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company' s employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) Vacations. During the Term, the Executive shall be entitled to vacation in accordance with the Company' s vacation policy, as in effect from time to time.

3. Termination. During the Term, the Executive' s employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive' s employment hereunder shall terminate upon his death.

(b) Disability. The Company may terminate the Executive' s employment if he is disabled and unable to perform the essential functions of the Executive' s then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive' s then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive' s guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company' s determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive' s rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq*.

(c) Termination by Company for Cause. The Company may terminate the Executive' s employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive' s engaging in any act of dishonesty or misrepresentation or willful commission of fraud; (ii) the Executive' s violation of any federal, state or foreign law or regulation applicable to the Company' s business; (iii) the Executive' s violation of the Code of Business Conduct and Ethics, the Proprietary Agreement, or any similar obligations under contract or applicable law; (iv) the Executive' s conviction of, or entering a plea of *nolo contendere* to, any felony; or (v) any other misconduct that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company, which conduct, if capable of cure or remedy, is not cured or remedied within two weeks after written notice from the Company describing such conduct.

(d) Termination Without Cause. The Company may terminate the Executive' s employment hereunder at any time without Cause. Any termination by the Company of the Executive' s employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate his employment hereunder at any time for any reason, including but not limited to by reason of Constructive Termination. For purposes of this Agreement, "Constructive Termination" shall mean the Executive' s resignation from all positions he then holds with the Company resulting in a termination of employment after one of the following is undertaken without the Executive' s written consent:

(i) any assignment or reassignment of duties or responsibilities that results in a material diminution in the Executive' s role in the Company as in effect immediately prior to the date of such change (provided that neither (A) a change in title, nor (B) the acquisition of the Company and conversion of the Company into a subsidiary, division or unit of the acquirer that results in changes to the Executive' s duties or responsibilities which are customary and reasonable in the context of such an acquisition and conversion, and which changes do not cause a material adverse change in the reporting structure or a material reduction in status, will, by itself, be deemed a material diminution in the Executive' s role);

(ii) a greater than 10% aggregate reduction by the Company in the Executive' s annual base salary (that is, a material reduction), as in effect immediately prior to the date of such actions; provided, however, that if there are across-the-board proportionate reductions for all executives of the Company, as determined by the Board, as part of a general salary reduction, the reduction as to the Executive will not constitute a basis for a Constructive Termination; or

(iii) a non-temporary relocation of the Executive' s business office to a location that increases the Executive' s one way commute by more than 25 miles from the primary location at which the Executive performs duties as of immediately prior to the date of such action;

provided, however, that in each case, an event or action by the Company will not give the Executive grounds for a Constructive Termination unless (A) the Executive

gives the Company written notice, within 90 days after the initial existence of such event or action, that the event or action by the Company would give the Executive such grounds to so terminate employment, (B) such event or action is not reversed, remedied or cured, as the case may be, by the Company as soon as possible but in no event later than within 30 days of receiving such written notice from the Executive, and (C) the Executive terminates his employment within 90 days following the end of the cure period.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive' s employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(g) Date of Termination. "Date of Termination" shall mean: (i) if the Executive' s employment is terminated by his death, the date of his death; (ii) if the Executive' s employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive' s employment is terminated by the Company under Section 3(d), the date on which a Notice of Termination is given; (iv) if the Executive' s employment is terminated by the Executive under Section 3(e), other than due to Constructive Termination, 30 days after the date on which a Notice of Termination is given; and (v) if the Executive' s employment is terminated by the Executive under Section 3(e) due to Constructive Termination, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive' s employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate) (i) any Base Salary earned through the Date of Termination and unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement) on or before the time required by law but in no event more than 30 days after the Executive' s Date of Termination; and (ii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Benefit").

(b) Termination by the Company Without Cause. During the Term, if the Executive' s employment is terminated by the Company without Cause as provided in Section 3(d), then (x) the Company shall pay the Executive his Accrued Benefit and (y) subject to the Executive signing a separation agreement and release of claims substantially in the form attached hereto as Exhibit A (the "Separation Agreement and Release") and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination:

(i) the Company shall pay the Executive an amount equal to (x) 12 months of the Executive' s Base Salary plus (y) an amount equal to Executive' s target incentive compensation for the quarter (in the case of incentive compensation paid on a quarterly basis) or year (in the case of incentive compensation paid on an annual basis) in which the Date of Termination occurs (prorated based upon the number of days of employment during such quarter or year, as applicable, relative to the number of calendar days in such quarter or year, as applicable); and

(ii) except to the extent any Existing Equity Award contains more favorable terms, in which case such terms shall apply to such award(s), all stock options and other stock-based awards held by the Executive will be accelerated as if the Executive had completed an additional 12 months of service with the Company; and

(iii) if the Executive was participating in the Company' s group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a monthly cash payment for 12 months or the Executive' s COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive (and, if applicable, the Executive' s qualified and participating dependents) if the Executive had remained employed by the Company.

To the extent the Executive and the Company mutually agree to enter into a non-competition agreement, the number of months set forth in Sections 4(b)(i), (ii) and (iii) will be increased by the number of months equal to the length of such non-competition period. The amounts payable under this Section 4(b) shall be paid out in substantially equal installments in accordance with the Company' s payroll practice over 12 months (or such longer period set forth in the immediately preceding sentence) commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

5. Change in Control Payment. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive' s rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive' s continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 4(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs after the occurrence of the first event constituting a Change in Control.

(a) Change in Control. Upon, and subject to the consummation of, a Change in Control, provisions regarding acceleration of vesting, lapse of repurchase right, exercisability and the like which are triggered solely upon the occurrence of such Change in Control as set forth in any Existing Equity Award shall remain in full force and effect with respect to such Existing Equity Award. During the Term, if after a Change in Control, the Executive' s employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment due to Constructive Termination as provided in Section 3(e), then (x) the Company shall pay the Executive his Accrued Benefit and (y) subject to the signing of the Separation Agreement and Release by the Executive and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination,

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to (x) 12 months of the Executive' s current Base Salary (or the Executive' s Base Salary in effect immediately prior to the Change in Control, if higher) plus (y) an amount equal to Executive' s target incentive compensation for the quarter (in the case of incentive compensation paid on a quarterly basis) or year (in the case of incentive compensation paid on an annual basis) in which the Date of Termination occurs (prorated based upon the number of days of employment during such quarter or year, as applicable, relative to the number of calendar days in such quarter or year, as applicable); and

(ii) except to the extent any Existing Equity Award contains more favorable terms, in which case such terms shall apply to such award(s), all stock options and other stock-based awards held by the Executive shall immediately accelerate and become fully exercisable and non-repurchasable or nonforfeitable as of the Date of Termination; and

(iii) if the Executive was participating in the Company' s group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a monthly cash payment for 12 months or the Executive' s COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive (and, if applicable, the Executive' s qualified and participating dependents) if the Executive had remained employed by the Company.

To the extent the Executive and the Company mutually agree to enter into a non-competition agreement, the time period set forth in Sections 5(a)(i) and (iii) will be increased by the number of months equal to the length of such non-competition period. The amounts payable under this Section 5(a) shall be paid or commence to be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable

pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 5(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive' s receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 5, the following terms shall have the following meanings:

"Change in Control" shall mean any of the following:

(i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity,

(ii) a merger, reorganization or consolidation pursuant to which the holders of the Company' s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction in substantially similar proportions as prior to such transaction,

(iii) the sale of all of the common stock of the Company to an unrelated person, entity or group thereof acting in concert, or

(iv) any other transaction in which the owners of the Company' s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity in substantially similar proportions as prior to such transaction immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

6. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive' s separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive' s separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive' s separation from service, or (B) the Executive' s death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive' s termination of employment, then such payments or benefits shall be payable only upon the Executive' s "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Arbitration of Disputes.

(a) Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Executive' s employment or the termination of that employment (including, without limitation, statutory claims under local, state or federal law, such as any claims of unlawful employment discrimination or harassment whether based on age or otherwise, and common law claims) shall, to the fullest extent permitted by law, be settled by binding arbitration under the auspices of the Judicial Arbitration and Mediations Services ("JAMS") in San Francisco, California in accordance with the Employment Arbitration Rules and Procedures of JAMS (the "JAMS Rules"). The arbitrator may grant injunctions and other relief in such disputes. The arbitrator shall administer and conduct any arbitration in accordance with California law, including the California Code of Civil Procedure, exclusive of conflict or choice of law rules. To the extent that the JAMS Rules conflict with California law, California law shall take precedence. Notwithstanding the foregoing, with respect to applicable substantive law, any arbitration conducted pursuant to the terms of this Agreement shall be governed by the Federal Arbitration Act (9 U.S.C., Secs. 1-16). The decision of the arbitrator shall be final, conclusive, and binding on the parties to the arbitration.

(b) The Executive and the Company hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury. The Executive and the Company agree that the arbitrator shall have the power to award any remedies available under applicable law, and that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. This Section 7 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is

appropriate; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 7. Executive understands that the Company will pay for any administrative or hearing fees charged by the arbitrator or JAMS except that the Executive shall pay any filing fees associated with any arbitration that Executive initiates, but only so much of the filing fee as Executive would have instead paid had Executive filed a complaint in a court of law.

(c) Executive agrees that Executive will not assert class action or representative action claims against the Company in arbitration or otherwise, nor will Executive join or serve as a member of a class action or representative action, and Executive agrees that Executive will only submit Executive' s own, individual claims in arbitration and will not seek to represent the interests of any other person.

(d) Executive understands that this Agreement does not prohibit Executive from pursuing an administrative claim with a local, state or federal administrative body or government agency (i.e. Equal Employment Opportunity Commission, National Relations Board, Department of Fair Employment and Housing, Workers Compensation Board). Executive is, however, precluded from pursuing court action regarding any such claim, except as permitted by law.

8. Consent to Jurisdiction. To the extent that any court action is permitted consistent with or to enforce Section 7 of this Agreement, the parties hereby consent to the jurisdiction of the Superior Court of the State of California and the United States District Court for the Northern District of California. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, including without limitation the Offer Letter (except to the extent the terms of such Offer Letter govern the Existing Equity Awards), provided that, except to the extent explicitly provided herein, this Agreement shall not affect the terms of any Existing Equity Awards and provided further that the following agreements will not be superseded by this Agreement but will remain in full force and effect in accordance with their terms: the Proprietary Agreement and the Indemnification Agreement between the Executive and the Company, dated July 1, 2011.

10. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

11. Successor to the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive' s personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive' s death after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive' s beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation).

12. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive' s employment to the extent necessary to effectuate the terms contained herein.

14. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

15. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

16. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

17. Governing Law. This is a California contract and shall be construed under and be governed in all respects by the laws of the State of California, without giving effect to the conflict of laws principles of such State. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Ninth Circuit.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

19. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

20. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

HORTONWORKS, INC.

By: /s/ Scott Davidson
Its: CFO

EXECUTIVE

/s/ Robert Bearden
Robert Bearden

**EXHIBIT A**

**SEPARATION AGREEMENT AND RELEASE**

This Separation Agreement and Release ("Agreement") is made by and between Robert Bearden ("Employee") and Hortonworks, Inc. (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party").

**RECITALS**

WHEREAS, Employee was employed by the Company, pursuant to the terms of an Employment Agreement by and between the Employee and the Company dated [ ] (the "Employment Agreement");

WHEREAS, Employee signed an [ ] with the Company on [ ] (the "Confidentiality Agreement") and an "[ ]" with the Company on [ ] (the "Indemnification Agreement");

WHEREAS, the Company and Employee have entered into **[LIST EQUITY AWARD AGREEMENTS]**, granting Employee **[stock options][and][restricted stock]** subject to the terms and conditions of the Company' s 2011 Stock Option Plan and/or the applicable equity award agreements (collectively the "Stock Agreements");

WHEREAS, the Company terminated Employee' s employment with the Company effective [ ] (the "Termination Date"); and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Employee may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Employee' s employment with or separation from the Company;

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows:

**COVENANTS**

1. Consideration.

a. Payment. The Company agrees to pay Employee a total of [ ] Dollars ($[ ]), at the rate of [ ] Dollars ($[ ]) per month/week, less applicable withholding, for **[twelve (12) months]** from the first regular payroll date following the Effective Date, in accordance with the Company' s regular payroll practices.

b. COBRA. The Company shall reimburse Employee for the payments Employee makes for Employee' s (and, if applicable, the Employee' s qualified and participating dependents) COBRA coverage for a period of twelve (12) months, or until Employee has secured other employment, whichever occurs first, provided Employee timely elects and pays for continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), within the time period prescribed pursuant to COBRA. COBRA reimbursements shall be made by the Company to Employee consistent with the Company' s normal expense reimbursement policy, provided that Employee submits documentation to the Company substantiating his/her payments for COBRA coverage.

2. Stock. The Parties agree that for purposes of determining the number of shares of the Company' s common stock that Employee is entitled to purchase from the Company, pursuant to the exercise of outstanding options, Employee will be considered to have vested only up to the Termination Date (including any vesting acceleration pursuant to the terms of the Employment Agreement and/or Stock Agreements). Employee acknowledges that as of the Termination Date, Employee will have vested in [ ] options and [ ] shares of stock and no more. The exercise of Employee' s vested options and shares shall continue to be governed by the terms and conditions of the Company' s Stock Agreements.

3. Benefits. Employee' s (and, if applicable, the Employee' s qualified and participating dependents) health insurance benefits shall cease on the last day of [ ] [ ], subject to Employee' s right to continue his/her health insurance under COBRA. Employee' s participation in all benefits and incidents of employment, including, but not limited to, vesting in stock, stock options and stock-based awards, and the accrual of bonuses, vacation, and paid time off, ceased as of the Termination Date.

4. Payment of Salary and Receipt of All Benefits. Employee acknowledges and represents that, other than the consideration set forth in this Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Employee.

5. Release of Claims. Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "Releasees"). Employee, on his/her own behalf and on behalf of his/her respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the Effective Date of this Agreement, including, without limitation:

a. any and all claims relating to or arising from Employee' s employment relationship with the Company and the termination of that relationship;

b. any and all claims relating to, or arising from, Employee' s right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the Immigration Control and Reform Act; the California Family Rights Act; the California Labor Code; the California Workers' Compensation Act; and the California Fair Employment and Housing Act;

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; and

h. any and all claims for attorneys' fees and costs.

Employee agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement, nor shall this release affect Employee' s rights to any vested retirement benefits under any Section 401(k) plan or for other vested benefits under employee benefit plans (other than equity incentive plans, plans linked to equity securities or

other similar benefits, plan or programs). This release does not release claims that cannot be released as a matter of law, including, but not limited to, Employee' s right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give Employee the right to recover any monetary damages against the Company; Employee' s release of claims herein bars Employee from recovering such monetary relief from the Company). Notwithstanding the foregoing, Employee acknowledges that any and all disputed wage claims that are released herein shall be subject to binding arbitration in accordance with this Agreement, except as required by applicable law. Employee represents that he/she has made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this Section.

6. Acknowledgment of Waiver of Claims under ADEA. Employee acknowledges that he/she is waiving and releasing any rights he/she may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Employee agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Employee acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that he/she has been advised by this writing that: (a) he/she should consult with an attorney prior to executing this Agreement; (b) he/she has twenty-one (21) days within which to consider this Agreement; (c) he/she has seven (7) days following his/her execution of this Agreement to revoke this Agreement; (d) this Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Employee signs this Agreement and returns it to the Company in less than the 21-day period identified above, Employee hereby acknowledges that he/she has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Employee acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Agreement on the Company' s behalf that is received prior to the eighth day after Employee signs this Agreement. The parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period.

7. California Civil Code Section 1542. Employee acknowledges that he/she has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Employee, being aware of said code section, agrees to expressly waive any rights he/she may have thereunder, as well as under any other statute or common law principles of similar effect.

8. No Pending or Future Lawsuits. Employee represents that he/she has no lawsuits, claims, or actions pending in his/her name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Employee also represents that he/she does not intend to bring any claims on his/her own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

9. Application for Employment. Employee understands and agrees that, as a condition of this Agreement, Employee shall not be entitled to any employment with the Company, and Employee hereby waives any right, or alleged right, of employment or re-employment with the Company. Employee further agrees not to apply for employment with the Company and not to otherwise pursue an independent contractor or vendor relationship with the Company.

10. Confidentiality. Employee agrees to maintain in complete confidence the existence of this Agreement, the contents and terms of this Agreement, and the consideration for this Agreement (hereinafter collectively referred to as "Separation Information"). Except as required by law, Employee may disclose Separation Information only to his/her immediate family members, the Court in any proceedings to enforce the terms of this Agreement, Employee' s attorney(s), and Employee' s accountant and any professional tax advisor to the extent that they need to know the Separation Information in order to provide advice on tax treatment or to prepare tax returns, and must prevent disclosure of any Separation Information to all other third parties. Employee agrees that he/she will not publicize, directly or indirectly, any Separation Information.

11. Trade Secrets and Confidential Information/Company Property. Employee reaffirms and agrees to observe and abide by the terms of the Confidentiality Agreement, specifically including the provisions therein regarding nondisclosure of the Company' s trade secrets and confidential and proprietary information, and nonsolicitation of Company employees. Employee' s signature below constitutes his/her certification under penalty of perjury that he/she has returned all documents and other items provided to Employee by the Company, developed or obtained by Employee in connection with his/her employment with the Company, or otherwise belonging to the Company.

12. No Cooperation. Employee agrees that he/she will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement. Employee agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Employee shall state no more than that he/she cannot provide counsel or assistance.

13. Mutual Nondisparagement. Employee agrees to refrain from any disparagement, defamation, libel, or slander of any of the Releasees, and agrees to refrain from any tortious interference with the contracts and relationships of any of the Releasees. The Company agrees to instruct employees, officers, or directors whom it informs of the circumstances or reasons related to the termination of the Employee to refrain from any disparagement, defamation, libel, or slander of Employee, and agrees to refrain from any tortious interference with the contracts and relationships of Employee. Employee shall direct any inquiries by potential future employers to the Company' s human resources department, which shall use its best efforts to provide only the Employee' s last position and dates of employment.

14. Breach. Employee acknowledges and agrees that any material breach of this Agreement, unless such breach constitutes a legal action by Employee challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, or of any provision of the Confidentiality Agreement shall entitle the Company immediately to recover and/or cease providing the consideration provided to Employee under this Agreement and to obtain damages, except as provided by law.

15. No Admission of Liability. Employee understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Employee. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Employee or to any third party.

16. Nonsolicitation. Employee agrees that for a period of twelve (12) months immediately following the Effective Date of this Agreement, Employee shall not directly or indirectly solicit any of the Company' s employees to leave their employment at the Company.

17. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement.

18. Arbitration of Disputes.

(a) Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Employee' s employment or the termination of that employment (including, without limitation, statutory claims under local, state or federal law, such as any claims of unlawful employment discrimination or harassment whether based on age or otherwise, and common law claims) shall, to the fullest extent permitted by law, be settled by binding arbitration under the auspices of the Judicial Arbitration and Mediations Services ("JAMS") in San Francisco, California in accordance with the Employment Arbitration Rules and Procedures of JAMS (the "JAMS Rules"). The arbitrator may grant injunctions and other relief in such disputes. The arbitrator shall administer and conduct any arbitration in accordance with California law, including the California Code of Civil Procedure, exclusive of conflict or choice of law rules. To the extent that the JAMS Rules

conflict with California law, California law shall take precedence. Notwithstanding the foregoing, with respect to applicable substantive law, any arbitration conducted pursuant to the terms of this Agreement shall be governed by the Federal Arbitration Act (9 U.S.C., Secs. 1-16). The decision of the arbitrator shall be final, conclusive, and binding on the parties to the arbitration.

(b) The Employee and the Company hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury. The Employee and the Company agree that the arbitrator shall have the power to award any remedies available under applicable law, and that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. This Section 18 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 18. Employee understands that the Company will pay for any administrative or hearing fees charged by the arbitrator or JAMS except that the Employee shall pay any filing fees associated with any arbitration that Employee initiates, but only so much of the filing fee as Employee would have instead paid had Employee filed a complaint in a court of law.

(c) Employee agrees that Employee will not assert class action or representative action claims against the Company in arbitration or otherwise, nor will Employee join or serve as a member of a class action or representative action, and Employee agrees that Employee will only submit Employee' s own, individual claims in arbitration and will not seek to represent the interests of any other person.

(d) Employee understands that this Agreement does not prohibit Employee from pursuing an administrative claim with a local, state or federal administrative body or government agency (i.e. Equal Employment Opportunity Commission, National Relations Board, Department of Fair Employment and Housing, Workers Compensation Board). Employee is, however, precluded from pursuing court action regarding any such claim, except as permitted by law.

19. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Employee or made on his/her behalf under the terms of this Agreement. Employee agrees and understands that he/she is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. Employee further agrees to indemnify and hold the Company harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) Employee' s failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs.

20. Section 409A. It is intended that this Agreement comply with, or be exempt from, Code Section 409A and the final regulations and official guidance thereunder ("Section 409A") and any ambiguities herein will be interpreted to so comply and/or be exempt from Section 409A. Each payment and benefit to be paid or provided under this Agreement is intended to constitute a series of separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. The Company and Employee will work together in good faith to consider either (i) amendments to this Agreement; or (ii) revisions to this Agreement with respect to the payment of any awards, which are necessary or appropriate to avoid imposition of any additional tax or income recognition prior to the actual payment to Employee under Section 409A. In no event will the Company reimburse Employee for any taxes that may be imposed on Employee as a result of Section 409A.

21. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Employee represents and warrants that he/she has the capacity to act on his/her own behalf and on behalf of all who might claim through him/her to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

22. No Representations. Employee represents that he/she has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

23. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

24. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Agreement and Employee' s employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee' s relationship with the Company, with the exception of the Confidentiality Agreement and the Indemnification Agreement.

25. No Oral Modification. This Agreement may only be amended in a writing signed by Employee and a duly authorized representative of the Company.

26. Governing Law. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the State of California.

27. Effective Date. Employee understands that this Agreement shall be null and void if not executed by him/her within twenty one (21) days. Each Party has seven (7) days after that Party signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Employee signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "Effective Date").

28. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

29. Voluntary Execution of Agreement. Employee understands and agrees that he/she executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of his/her claims against the Company and any of the other Releasees. Employee acknowledges that:

(a) he/she has read this Agreement;

(b) he/she has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of his/her own choice or has elected not to retain legal counsel;

(c) he/she understands the terms and consequences of this Agreement and of the releases it contains; and

(d) he/she is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

Robert Bearden, an individual

Dated: , 20

Robert Bearden

HORTONWORKS, INC.

Dated: , 20

By _____
Name:
Title:

**Exhibit 10.4.2**

# EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of the 30th day of October, 2014 (the "Effective Date"), between Hortonworks, Inc., a Delaware corporation (the "Company"), and Scott Davidson (the "Executive").

WHEREAS, the Executive is party to an offer letter agreement with the Company dated April 2, 2014 (the "Offer Letter") and the Proprietary Information and Inventions Agreement between the Company and the Executive dated April 2, 2014 (the "Proprietary Agreement"); and

WHEREAS, the Executive holds options to purchase shares of the Company' s common stock and/or shares of restricted stock of the Company that were granted or purchased prior to September 12, 2014 (the "Existing Equity Awards");

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company and the Executive desire to continue their employment relationship pursuant to the terms of this Agreement, until this Agreement is terminated by either party in accordance with the provisions of Section 3 (such period of employment, the "Term"). The Executive' s employment with the Company will be "at will," meaning that the Executive' s employment may be terminated by the Company or the Executive at any time and for any reason.

(b) Position and Duties. During the Term, the Executive shall serve as the Chief Financial Officer of the Company, and shall have supervision and control over and responsibility for the day-to-day business and affairs of the Company and shall have such other powers and duties as may from time to time be prescribed by the Chairman of the Board of Directors of the Company (the "Board"), the Chief Executive Officer of the Company (the "CEO") or other authorized executive, provided that such duties are consistent with the Executive' s position or other positions that he may hold from time to time. The Executive shall devote his full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the approval of the Board, or engage in religious, charitable or other community activities as long as such services and activities are disclosed to the Board and do not materially interfere with the Executive' s performance of his duties to the Company as provided in this Agreement.

2. Compensation and Related Matters.

(a) Base Salary. Effective on such date as determined by the Board, the Executive' s annual base salary shall be adjusted to $300,000. The Executive' s base salary shall be redetermined annually by the Board or the Compensation Committee. The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent with the Company' s usual payroll practices for senior executives.

(b) Incentive Compensation. During the Term, the Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. Effective on such date as determined by the Board, the Executive' s target annual incentive compensation shall be adjusted to $250,000. To earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by him during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers.

(d) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company' s employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) Vacations. During the Term, the Executive shall be entitled to vacation in accordance with the Company' s vacation policy, as in effect from time to time.

3. Termination. During the Term, the Executive' s employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive' s employment hereunder shall terminate upon his death.

(b) Disability. The Company may terminate the Executive' s employment if he is disabled and unable to perform the essential functions of the Executive' s then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive' s then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive' s guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company' s determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive' s rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq*.

(c) Termination by Company for Cause. The Company may terminate the Executive' s employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive' s engaging in any act of dishonesty or misrepresentation or willful commission of fraud; (ii) the Executive' s violation of any federal, state or foreign law or regulation applicable to the Company' s business; (iii) the Executive' s violation of the Code of Business Conduct and Ethics, the Proprietary Agreement, or any similar obligations under contract or applicable law; (iv) the Executive' s conviction of, or entering a plea of *nolo contendere* to, any felony; or (v) any other misconduct that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company, which conduct, if capable of cure or remedy, is not cured or remedied within two weeks after written notice from the Company describing such conduct.

(d) Termination Without Cause. The Company may terminate the Executive' s employment hereunder at any time without Cause. Any termination by the Company of the Executive' s employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate his employment hereunder at any time for any reason, including but not limited to by reason of Constructive Termination. For purposes of this Agreement, "Constructive Termination" shall mean the Executive' s resignation from all positions he then holds with the Company resulting in a termination of employment after one of the following is undertaken without the Executive' s written consent:

(i) any assignment or reassignment of duties or responsibilities that results in a material diminution in the Executive' s role in the Company as in effect immediately prior to the date of such change (provided that neither (A) a change in title, nor (B) the acquisition of the Company and conversion of the Company into a subsidiary, division or unit of the acquirer that results in changes to the Executive' s duties or responsibilities which are customary and reasonable in the context of such an acquisition and conversion, and which changes do not cause a material adverse change in the reporting structure or a material reduction in status, will, by itself, be deemed a material diminution in the Executive' s role);

(ii) a greater than 10% aggregate reduction by the Company in the Executive' s annual base salary (that is, a material reduction), as in effect immediately prior to the date of such actions; provided, however, that if there are across-the-board proportionate reductions for all executives of the Company, as determined by the Board, as part of a general salary reduction, the reduction as to the Executive will not constitute a basis for a Constructive Termination; or

(iii) a non-temporary relocation of the Executive' s business office to a location that increases the Executive' s one way commute by more than 25 miles from the primary location at which the Executive performs duties as of immediately prior to the date of such action;

provided, however, that in each case, an event or action by the Company will not give the Executive grounds for a Constructive Termination unless (A) the Executive

gives the Company written notice, within 90 days after the initial existence of such event or action, that the event or action by the Company would give the Executive such grounds to so terminate employment, (B) such event or action is not reversed, remedied or cured, as the case may be, by the Company as soon as possible but in no event later than within 30 days of receiving such written notice from the Executive, and (C) the Executive terminates his employment within 90 days following the end of the cure period.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive' s employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(g) Date of Termination. "Date of Termination" shall mean: (i) if the Executive' s employment is terminated by his death, the date of his death; (ii) if the Executive' s employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive' s employment is terminated by the Company under Section 3(d), the date on which a Notice of Termination is given; (iv) if the Executive' s employment is terminated by the Executive under Section 3(e), other than due to Constructive Termination, 30 days after the date on which a Notice of Termination is given; and (v) if the Executive' s employment is terminated by the Executive under Section 3(e) due to Constructive Termination, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive' s employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate) (i) any Base Salary earned through the Date of Termination and unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement) on or before the time required by law but in no event more than 30 days after the Executive' s Date of Termination; and (ii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Benefit").

(b) Termination by the Company Without Cause. During the Term, if the Executive' s employment is terminated by the Company without Cause as provided in Section 3(d), then (x) the Company shall pay the Executive his Accrued Benefit and (y) subject to the Executive signing a separation agreement and release of claims substantially in the form attached hereto as Exhibit A (the "Separation Agreement and Release") and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination:

(i) the Company shall pay the Executive an amount equal to (x) 12 months of the Executive' s Base Salary plus (y) an amount equal to Executive' s target incentive compensation for the quarter (in the case of incentive compensation paid on a quarterly basis) or year (in the case of incentive compensation paid on an annual basis) in which the Date of Termination occurs (prorated based upon the number of days of employment during such quarter or year, as applicable, relative to the number of calendar days in such quarter or year, as applicable); and

(ii) except to the extent any Existing Equity Award contains more favorable terms, in which case such terms shall apply to such award(s), all stock options and other stock-based awards held by the Executive will be accelerated as if the Executive had completed an additional 12 months of service with the Company; and

(iii) if the Executive was participating in the Company' s group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a monthly cash payment for 12 months or the Executive' s COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive (and, if applicable, the Executive' s qualified and participating dependents) if the Executive had remained employed by the Company.

To the extent the Executive and the Company mutually agree to enter into a non-competition agreement, the number of months set forth in Sections 4(b)(i), (ii) and (iii) will be increased by the number of months equal to the length of such non-competition period. The amounts payable under this Section 4(b) shall be paid out in substantially equal installments in accordance with the Company' s payroll practice over 12 months (or such longer period set forth in the immediately preceding sentence) commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

5. Change in Control Payment. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive' s rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive' s continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 4(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs after the occurrence of the first event constituting a Change in Control.

(a) Change in Control. Upon, and subject to the consummation of, a Change in Control, 50% of any then-unvested shares subject to outstanding stock options and other stock-based awards held by the Executive shall immediately accelerate and become fully exercisable and non-repurchasable or non-forfeitable as of the Change in Control. During the Term, if after a Change in Control, the Executive' s employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment due to Constructive Termination as provided in Section 3(e), then (x) the Company shall pay the Executive his Accrued Benefit and (y) subject to the signing of the Separation Agreement and Release by the Executive and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination,

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to (x) 12 months of the Executive' s current Base Salary (or the Executive' s Base Salary in effect immediately prior to the Change in Control, if higher) plus (y) an amount equal to Executive' s target incentive compensation for the quarter (in the case of incentive compensation paid on a quarterly basis) or year (in the case of incentive compensation paid on an annual basis) in which the Date of Termination occurs (prorated based upon the number of days of employment during such quarter or year, as applicable, relative to the number of calendar days in such quarter or year, as applicable); and

(ii) all stock options and other stock-based awards held by the Executive shall immediately accelerate and become fully exercisable and non-repurchasable or nonforfeitable as of the Date of Termination; and

(iii) if the Executive was participating in the Company' s group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a monthly cash payment for 12 months or the Executive' s COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive (and, if applicable, the Executive' s qualified and participating dependents) if the Executive had remained employed by the Company.

To the extent the Executive and the Company mutually agree to enter into a non-competition agreement, the time period set forth in Sections 5(a)(i) and (iii) will be increased by the number of months equal to the length of such non-competition period. The amounts payable under this Section 5(a) shall be paid or commence to be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to

the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 5(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive' s receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 5, the following terms shall have the following meanings:

"Change in Control" shall mean any of the following:

(i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity,

(ii) a merger, reorganization or consolidation pursuant to which the holders of the Company' s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction in substantially similar proportions as prior to such transaction,

(iii) the sale of all of the common stock of the Company to an unrelated person, entity or group thereof acting in concert, or

(iv) any other transaction in which the owners of the Company' s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity in substantially similar proportions as prior to such transaction immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

6. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive' s separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive' s separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive' s separation from service, or (B) the Executive' s death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive' s termination of employment, then such payments or benefits shall be payable only upon the Executive' s "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Arbitration of Disputes.

(a) Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Executive' s employment or the termination of that employment (including, without limitation, statutory claims under local, state or federal law, such as any claims of unlawful employment discrimination or harassment whether based on age or otherwise, and common law claims) shall, to the fullest extent permitted by law, be settled by binding arbitration under the auspices of the Judicial Arbitration and Mediations Services ("JAMS") in San Francisco, California in accordance with the Employment Arbitration Rules and Procedures of JAMS (the "JAMS Rules"). The arbitrator may grant injunctions and other relief in such disputes. The arbitrator shall administer and conduct any arbitration in accordance with California law, including the California Code of Civil Procedure, exclusive of conflict or choice of law rules. To the extent that the JAMS Rules conflict with California law, California law shall take precedence. Notwithstanding the foregoing, with respect to applicable substantive law, any arbitration conducted pursuant to the terms of this Agreement shall be governed by the Federal Arbitration Act (9 U.S.C., Secs. 1-16). The decision of the arbitrator shall be final, conclusive, and binding on the parties to the arbitration.

(b) The Executive and the Company hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury. The Executive and the Company agree that the arbitrator shall have the power to award any remedies available under applicable law, and that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. This Section 7 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 7. Executive understands that the Company will pay for any administrative or hearing fees charged by the arbitrator or JAMS except that the Executive

shall pay any filing fees associated with any arbitration that Executive initiates, but only so much of the filing fee as Executive would have instead paid had Executive filed a complaint in a court of law.

(c) Executive agrees that Executive will not assert class action or representative action claims against the Company in arbitration or otherwise, nor will Executive join or serve as a member of a class action or representative action, and Executive agrees that Executive will only submit Executive' s own, individual claims in arbitration and will not seek to represent the interests of any other person.

(d) Executive understands that this Agreement does not prohibit Executive from pursuing an administrative claim with a local, state or federal administrative body or government agency (i.e. Equal Employment Opportunity Commission, National Relations Board, Department of Fair Employment and Housing, Workers Compensation Board). Executive is, however, precluded from pursuing court action regarding any such claim, except as permitted by law.

8. Consent to Jurisdiction. To the extent that any court action is permitted consistent with or to enforce Section 7 of this Agreement, the parties hereby consent to the jurisdiction of the Superior Court of the State of California and the United States District Court for the Northern District of California. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, including without limitation the Offer Letter (except to the extent the terms of such Offer Letter govern the Existing Equity Awards), provided that, except to the extent explicitly provided herein, this Agreement shall not affect the terms of any Existing Equity Awards and provided further that the following agreements will not be superseded by this Agreement but will remain in full force and effect in accordance with their terms: the Proprietary Agreement and the Indemnification Agreement between the Executive and the Company, dated May 1, 2014.

10. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

11. Successor to the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive' s personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive' s death after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive' s beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation).

12. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive' s employment to the extent necessary to effectuate the terms contained herein.

14. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

15. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

16. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

17. Governing Law. This is a California contract and shall be construed under and be governed in all respects by the laws of the State of California, without giving effect to the conflict of laws principles of such State. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Ninth Circuit.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

19. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

20. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

HORTONWORKS, INC.

By: /s/ Robert Bearden
Its: CEO

EXECUTIVE

/s/ Scott Davidson
Scott Davidson

## EXHIBIT A

## SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release ("Agreement") is made by and between Scott Davidson ("Employee") and Hortonworks, Inc. (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party").

## RECITALS

WHEREAS, Employee was employed by the Company, pursuant to the terms of an Employment Agreement by and between the Employee and the Company dated [ ] (the "Employment Agreement");

WHEREAS, Employee signed an [ ] with the Company on [ ] (the "Confidentiality Agreement") and an "[ ]" with the Company on [ ] (the "Indemnification Agreement");

WHEREAS, the Company and Employee have entered into **[LIST EQUITY AWARD AGREEMENTS]**, granting Employee **[stock options][and][restricted stock]** subject to the terms and conditions of the Company' s 2011 Stock Option Plan and/or the applicable equity award agreements (collectively the "Stock Agreements");

WHEREAS, the Company terminated Employee' s employment with the Company effective [ ] (the "Termination Date"); and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Employee may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Employee' s employment with or separation from the Company;

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows:

## COVENANTS

1. Consideration.

a. Payment. The Company agrees to pay Employee a total of [ ] Dollars ($[ ]), at the rate of [ ] Dollars ($[ ]) per month/week, less applicable withholding, for **[twelve (12) months]** from the first regular payroll date following the Effective Date, in accordance with the Company' s regular payroll practices.

b. COBRA. The Company shall reimburse Employee for the payments Employee makes for Employee' s (and, if applicable, the Employee' s qualified and participating dependents) COBRA coverage for a period of twelve (12) months, or until Employee has secured other employment, whichever occurs first, provided Employee timely elects and pays for continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), within the time period prescribed pursuant to COBRA. COBRA reimbursements shall be made by the Company to Employee consistent with the Company' s normal expense reimbursement policy, provided that Employee submits documentation to the Company substantiating his/her payments for COBRA coverage.

2. Stock. The Parties agree that for purposes of determining the number of shares of the Company' s common stock that Employee is entitled to purchase from the Company, pursuant to the exercise of outstanding options, Employee will be considered to have vested only up to the Termination Date (including any vesting acceleration pursuant to the terms of the Employment Agreement and/or Stock Agreements). Employee acknowledges that as of the Termination Date, Employee will have vested in [ ] options and [ ] shares of stock and no more. The exercise of Employee' s vested options and shares shall continue to be governed by the terms and conditions of the Company' s Stock Agreements.

3. Benefits. Employee' s (and, if applicable, the Employee' s qualified and participating dependents) health insurance benefits shall cease on the last day of [ ] [ ], subject to Employee' s right to continue his/her health insurance under COBRA. Employee' s participation in all benefits and incidents of employment, including, but not limited to, vesting in stock, stock options and stock-based awards, and the accrual of bonuses, vacation, and paid time off, ceased as of the Termination Date.

4. Payment of Salary and Receipt of All Benefits. Employee acknowledges and represents that, other than the consideration set forth in this Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Employee.

5. Release of Claims. Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "Releasees"). Employee, on his/her own behalf and on behalf of his/her respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the Effective Date of this Agreement, including, without limitation:

a. any and all claims relating to or arising from Employee' s employment relationship with the Company and the termination of that relationship;

b. any and all claims relating to, or arising from, Employee' s right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the Immigration Control and Reform Act; the California Family Rights Act; the California Labor Code; the California Workers' Compensation Act; and the California Fair Employment and Housing Act;

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; and

h. any and all claims for attorneys' fees and costs.

Employee agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement, nor shall this release affect Employee' s rights to any vested retirement benefits under any Section 401(k) plan or for other vested benefits under employee benefit plans (other than equity incentive plans, plans linked to equity securities or

other similar benefits, plan or programs). This release does not release claims that cannot be released as a matter of law, including, but not limited to, Employee' s right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give Employee the right to recover any monetary damages against the Company; Employee' s release of claims herein bars Employee from recovering such monetary relief from the Company). Notwithstanding the foregoing, Employee acknowledges that any and all disputed wage claims that are released herein shall be subject to binding arbitration in accordance with this Agreement, except as required by applicable law. Employee represents that he/she has made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this Section.

6. Acknowledgment of Waiver of Claims under ADEA. Employee acknowledges that he/she is waiving and releasing any rights he/she may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Employee agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Employee acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that he/she has been advised by this writing that: (a) he/she should consult with an attorney prior to executing this Agreement; (b) he/she has twenty-one (21) days within which to consider this Agreement; (c) he/she has seven (7) days following his/her execution of this Agreement to revoke this Agreement; (d) this Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Employee signs this Agreement and returns it to the Company in less than the 21-day period identified above, Employee hereby acknowledges that he/she has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Employee acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Agreement on the Company' s behalf that is received prior to the eighth day after Employee signs this Agreement. The parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period.

7. California Civil Code Section 1542. Employee acknowledges that he/she has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Employee, being aware of said code section, agrees to expressly waive any rights he/she may have thereunder, as well as under any other statute or common law principles of similar effect.

8. No Pending or Future Lawsuits. Employee represents that he/she has no lawsuits, claims, or actions pending in his/her name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Employee also represents that he/she does not intend to bring any claims on his/her own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

9. Application for Employment. Employee understands and agrees that, as a condition of this Agreement, Employee shall not be entitled to any employment with the Company, and Employee hereby waives any right, or alleged right, of employment or re-employment with the Company. Employee further agrees not to apply for employment with the Company and not to otherwise pursue an independent contractor or vendor relationship with the Company.

10. Confidentiality. Employee agrees to maintain in complete confidence the existence of this Agreement, the contents and terms of this Agreement, and the consideration for this Agreement (hereinafter collectively referred to as "Separation Information"). Except as required by law, Employee may disclose Separation Information only to his/her immediate family members, the Court in any proceedings to enforce the terms of this Agreement, Employee' s attorney(s), and Employee' s accountant and any professional tax advisor to the extent that they need to know the Separation Information in order to provide advice on tax treatment or to prepare tax returns, and must prevent disclosure of any Separation Information to all other third parties. Employee agrees that he/she will not publicize, directly or indirectly, any Separation Information.

11. Trade Secrets and Confidential Information/Company Property. Employee reaffirms and agrees to observe and abide by the terms of the Confidentiality Agreement, specifically including the provisions therein regarding nondisclosure of the Company' s trade secrets and confidential and proprietary information, and nonsolicitation of Company employees. Employee' s signature below constitutes his/her certification under penalty of perjury that he/she has returned all documents and other items provided to Employee by the Company, developed or obtained by Employee in connection with his/her employment with the Company, or otherwise belonging to the Company.

12. No Cooperation. Employee agrees that he/she will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement. Employee agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Employee shall state no more than that he/she cannot provide counsel or assistance.

13. Mutual Nondisparagement. Employee agrees to refrain from any disparagement, defamation, libel, or slander of any of the Releasees, and agrees to refrain from any tortious interference with the contracts and relationships of any of the Releasees. The Company agrees to instruct employees, officers, or directors whom it informs of the circumstances or reasons related to the termination of the Employee to refrain from any disparagement, defamation, libel, or slander of Employee, and agrees to refrain from any tortious interference with the contracts and relationships of Employee. Employee shall direct any inquiries by potential future employers to the Company' s human resources department, which shall use its best efforts to provide only the Employee' s last position and dates of employment.

14. Breach. Employee acknowledges and agrees that any material breach of this Agreement, unless such breach constitutes a legal action by Employee challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, or of any provision of the Confidentiality Agreement shall entitle the Company immediately to recover and/or cease providing the consideration provided to Employee under this Agreement and to obtain damages, except as provided by law.

15. No Admission of Liability. Employee understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Employee. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Employee or to any third party.

16. Nonsolicitation. Employee agrees that for a period of twelve (12) months immediately following the Effective Date of this Agreement, Employee shall not directly or indirectly solicit any of the Company' s employees to leave their employment at the Company.

17. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement.

18. Arbitration of Disputes.

(a) Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Employee' s employment or the termination of that employment (including, without limitation, statutory claims under local, state or federal law, such as any claims of unlawful employment discrimination or harassment whether based on age or otherwise, and common law claims) shall, to the fullest extent permitted by law, be settled by binding arbitration under the auspices of the Judicial Arbitration and Mediations Services ("JAMS") in San Francisco, California in accordance with the Employment Arbitration Rules and Procedures of JAMS (the "JAMS Rules"). The arbitrator may grant injunctions and other relief in such disputes. The arbitrator shall administer and conduct any arbitration in accordance with California law, including the California Code of Civil Procedure, exclusive of conflict or choice of law rules. To the extent that the JAMS Rules

conflict with California law, California law shall take precedence. Notwithstanding the foregoing, with respect to applicable substantive law, any arbitration conducted pursuant to the terms of this Agreement shall be governed by the Federal Arbitration Act (9 U.S.C., Secs. 1-16). The decision of the arbitrator shall be final, conclusive, and binding on the parties to the arbitration.

(b) The Employee and the Company hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury. The Employee and the Company agree that the arbitrator shall have the power to award any remedies available under applicable law, and that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. This Section 18 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 18. Employee understands that the Company will pay for any administrative or hearing fees charged by the arbitrator or JAMS except that the Employee shall pay any filing fees associated with any arbitration that Employee initiates, but only so much of the filing fee as Employee would have instead paid had Employee filed a complaint in a court of law.

(c) Employee agrees that Employee will not assert class action or representative action claims against the Company in arbitration or otherwise, nor will Employee join or serve as a member of a class action or representative action, and Employee agrees that Employee will only submit Employee' s own, individual claims in arbitration and will not seek to represent the interests of any other person.

(d) Employee understands that this Agreement does not prohibit Employee from pursuing an administrative claim with a local, state or federal administrative body or government agency (i.e. Equal Employment Opportunity Commission, National Relations Board, Department of Fair Employment and Housing, Workers Compensation Board). Employee is, however, precluded from pursuing court action regarding any such claim, except as permitted by law.

19. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Employee or made on his/her behalf under the terms of this Agreement. Employee agrees and understands that he/she is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. Employee further agrees to indemnify and hold the Company harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) Employee' s failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs.

20. Section 409A. It is intended that this Agreement comply with, or be exempt from, Code Section 409A and the final regulations and official guidance thereunder ("Section 409A") and any ambiguities herein will be interpreted to so comply and/or be exempt from Section 409A. Each payment and benefit to be paid or provided under this Agreement is intended to constitute a series of separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. The Company and Employee will work together in good faith to consider either (i) amendments to this Agreement; or (ii) revisions to this Agreement with respect to the payment of any awards, which are necessary or appropriate to avoid imposition of any additional tax or income recognition prior to the actual payment to Employee under Section 409A. In no event will the Company reimburse Employee for any taxes that may be imposed on Employee as a result of Section 409A.

21. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Employee represents and warrants that he/she has the capacity to act on his/her own behalf and on behalf of all who might claim through him/her to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

22. No Representations. Employee represents that he/she has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

23. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

24. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Agreement and Employee' s employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee' s relationship with the Company, with the exception of the Confidentiality Agreement and the Indemnification Agreement.

25. No Oral Modification. This Agreement may only be amended in a writing signed by Employee and a duly authorized representative of the Company.

26. Governing Law. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the State of California.

27. Effective Date. Employee understands that this Agreement shall be null and void if not executed by him/her within twenty one (21) days. Each Party has seven (7) days after that Party signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Employee signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "Effective Date").

28. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

29. Voluntary Execution of Agreement. Employee understands and agrees that he/she executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of his/her claims against the Company and any of the other Releasees. Employee acknowledges that:

(a) he/she has read this Agreement;

(b) he/she has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of his/her own choice or has elected not to retain legal counsel;

(c) he/she understands the terms and consequences of this Agreement and of the releases it contains; and

(d) he/she is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

Scott Davidson, an individual

Dated: , 20

Scott Davidson

HORTONWORKS, INC.

Dated: , 20

By

Name:

Title:

**Exhibit 10.4.3**

# EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of the day of October, 2014 (the "Effective Date"), between Hortonworks, Inc., a Delaware corporation (the "Company"), and [Executive] (the "Executive").

WHEREAS, the Executive is party to an offer letter agreement with the Company dated [ ] (the "Offer Letter") and the Proprietary Information and Inventions Agreement between the Company and the Executive [ ] (the "Proprietary Agreement"); and

WHEREAS, the Executive holds options to purchase shares of the Company' s common stock and/or shares of restricted stock of the Company that were granted or purchased prior to September 12, 2014 (the "Existing Equity Awards");

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company and the Executive desire to continue their employment relationship pursuant to the terms of this Agreement, until this Agreement is terminated by either party in accordance with the provisions of Section 3 (such period of employment, the "Term"). The Executive' s employment with the Company will be "at will," meaning that the Executive' s employment may be terminated by the Company or the Executive at any time and for any reason.

(b) Position and Duties. During the Term, the Executive shall serve as the [ ] of the Company, and shall have supervision and control over and responsibility for the day-to-day business and affairs of the Company and shall have such other powers and duties as may from time to time be prescribed by the Chairman of the Board of Directors of the Company (the "Board"), the Chief Executive Officer of the Company (the "CEO") or other authorized executive, provided that such duties are consistent with the Executive' s position or other positions that he may hold from time to time. The Executive shall devote his full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, the Executive may serve on other boards of directors, with the approval of the Board, or engage in religious, charitable or other community activities as long as such services and activities are disclosed to the Board and do not materially interfere with the Executive' s performance of his duties to the Company as provided in this Agreement.

2. Compensation and Related Matters.

(a) Base Salary. Effective on such date as determined by the Board, the Executive' s annual base salary shall be adjusted to $[ ]. The Executive' s base salary shall be redetermined annually by the Board or the Compensation Committee. The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in a manner that is consistent with the Company' s usual payroll practices for senior executives.

(b) Incentive Compensation. During the Term, the Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. Effective on such date as determined by the Board, the Executive' s target annual incentive compensation shall be adjusted to $[ ]. To earn incentive compensation, the Executive must be employed by the Company on the day such incentive compensation is paid.

(c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by him during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers.

(d) Other Benefits. During the Term, the Executive shall be eligible to participate in or receive benefits under the Company' s employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) Vacations. During the Term, the Executive shall be entitled to vacation in accordance with the Company' s vacation policy, as in effect from time to time.

3. Termination. During the Term, the Executive' s employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. The Executive' s employment hereunder shall terminate upon his death.

(b) Disability. The Company may terminate the Executive' s employment if he is disabled and unable to perform the essential functions of the Executive' s then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive' s then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive' s guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company' s determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive' s rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq*.

(c) Termination by Company for Cause. The Company may terminate the Executive' s employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean: (i) the Executive' s engaging in any act of dishonesty or misrepresentation or willful commission of fraud; (ii) the Executive' s violation of any federal, state or foreign law or regulation applicable to the Company' s business; (iii) the Executive' s violation of the Code of Business Conduct and Ethics, the Proprietary Agreement, or any similar obligations under contract or applicable law; (iv) the Executive' s conviction of, or entering a plea of *nolo contendere* to, any felony; or (v) any other misconduct that is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company, which conduct, if capable of cure or remedy, is not cured or remedied within two weeks after written notice from the Company describing such conduct.

(d) Termination Without Cause. The Company may terminate the Executive' s employment hereunder at any time without Cause. Any termination by the Company of the Executive' s employment under this Agreement which does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by the Executive. The Executive may terminate his employment hereunder at any time for any reason, including but not limited to by reason of Constructive Termination. For purposes of this Agreement, "Constructive Termination" shall mean the Executive' s resignation from all positions he then holds with the Company resulting in a termination of employment after one of the following is undertaken without the Executive' s written consent:

(i) any assignment or reassignment of duties or responsibilities that results in a material diminution in the Executive' s role in the Company as in effect immediately prior to the date of such change (provided that neither (A) a change in title, nor (B) the acquisition of the Company and conversion of the Company into a subsidiary, division or unit of the acquirer that results in changes to the Executive' s duties or responsibilities which are customary and reasonable in the context of such an acquisition and conversion, and which changes do not cause a material adverse change in the reporting structure or a material reduction in status, will, by itself, be deemed a material diminution in the Executive' s role);

(ii) a greater than 10% aggregate reduction by the Company in the Executive' s annual base salary (that is, a material reduction), as in effect immediately prior to the date of such actions; provided, however, that if there are across-the-board proportionate reductions for all executives of the Company, as determined by the Board, as part of a general salary reduction, the reduction as to the Executive will not constitute a basis for a Constructive Termination; or

(iii) a non-temporary relocation of the Executive' s business office to a location that increases the Executive' s one way commute by more than 25 miles from the primary location at which the Executive performs duties as of immediately prior to the date of such action;

provided, however, that in each case, an event or action by the Company will not give the Executive grounds for a Constructive Termination unless (A) the Executive

gives the Company written notice, within 90 days after the initial existence of such event or action, that the event or action by the Company would give the Executive such grounds to so terminate employment, (B) such event or action is not reversed, remedied or cured, as the case may be, by the Company as soon as possible but in no event later than within 30 days of receiving such written notice from the Executive, and (C) the Executive terminates his employment within 90 days following the end of the cure period.

(f) Notice of Termination. Except for termination as specified in Section 3(a), any termination of the Executive' s employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(g) Date of Termination. "Date of Termination" shall mean: (i) if the Executive' s employment is terminated by his death, the date of his death; (ii) if the Executive' s employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive' s employment is terminated by the Company under Section 3(d), the date on which a Notice of Termination is given; (iv) if the Executive' s employment is terminated by the Executive under Section 3(e), other than due to Constructive Termination, 30 days after the date on which a Notice of Termination is given; and (v) if the Executive' s employment is terminated by the Executive under Section 3(e) due to Constructive Termination, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

4. Compensation Upon Termination.

(a) Termination Generally. If the Executive' s employment with the Company is terminated for any reason, the Company shall pay or provide to the Executive (or to his authorized representative or estate) (i) any Base Salary earned through the Date of Termination and unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement) on or before the time required by law but in no event more than 30 days after the Executive' s Date of Termination; and (ii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Benefit").

(b) Termination by the Company Without Cause. During the Term, if the Executive' s employment is terminated by the Company without Cause as provided in Section 3(d), then (x) the Company shall pay the Executive his Accrued Benefit and (y) subject to the Executive signing a separation agreement and release of claims substantially in the form attached hereto as Exhibit A (the "Separation Agreement and Release") and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination:

(i) the Company shall pay the Executive an amount equal to (x) six months of the Executive' s Base Salary plus (y) an amount equal to Executive' s target incentive compensation for the quarter (in the case of incentive compensation paid on a quarterly basis) or year (in the case of incentive compensation paid on an annual basis) in which the Date of Termination occurs (prorated based upon the number of days of employment during such quarter or year, as applicable, relative to the number of calendar days in such quarter or year, as applicable); and

(ii) except to the extent any Existing Equity Award contains more favorable terms, in which case such terms shall apply to such award(s), all stock options and other stock-based awards held by the Executive will be accelerated as if the Executive had completed an additional six months of service with the Company; and

(iii) if the Executive was participating in the Company' s group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a monthly cash payment for six months or the Executive' s COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive (and, if applicable, the Executive' s qualified and participating dependents) if the Executive had remained employed by the Company.

To the extent the Executive and the Company mutually agree to enter into a non-competition agreement, the number of months set forth in Sections 4(b)(i), (ii) and (iii) will be increased by the number of months equal to the length of such non-competition period. The amounts payable under this Section 4(b) shall be paid out in substantially equal installments in accordance with the Company' s payroll practice over six months (or such longer period set forth in the immediately preceding sentence) commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

5. Change in Control Payment. The provisions of this Section 5 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive' s rights and obligations upon the occurrence of a Change in Control of the Company. These provisions are intended to assure and encourage in advance the Executive' s continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 4(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs after the occurrence of the first event constituting a Change in Control.

(a) Change in Control. Upon, and subject to the consummation of, a Change in Control, provisions regarding acceleration of vesting, lapse of repurchase right, exercisability and the like which are triggered solely upon the occurrence of such Change in Control as set forth in any Existing Equity Award shall remain in full force and effect with respect to such Existing Equity Award. During the Term, if after a Change in Control, the Executive' s employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment due to Constructive Termination as provided in Section 3(e), then (x) the Company shall pay the Executive his Accrued Benefit and (y) subject to the signing of the Separation Agreement and Release by the Executive and the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination,

(i) the Company shall pay the Executive a lump sum in cash in an amount equal to (x) six months of the Executive' s current Base Salary (or the Executive' s Base Salary in effect immediately prior to the Change in Control, if higher) plus (y) an amount equal to Executive' s target incentive compensation for the quarter (in the case of incentive compensation paid on a quarterly basis) or year (in the case of incentive compensation paid on an annual basis) in which the Date of Termination occurs (prorated based upon the number of days of employment during such quarter or year, as applicable, relative to the number of calendar days in such quarter or year, as applicable); and

(ii) except to the extent any Existing Equity Award contains more favorable terms, in which case such terms shall apply to such award(s), all stock options and other stock-based awards held by the Executive shall immediately accelerate and become fully exercisable and non-repurchasable or nonforfeitable as of the Date of Termination; and

(iii) if the Executive was participating in the Company' s group health plan immediately prior to the Date of Termination and elects COBRA health continuation, then the Company shall pay to the Executive a monthly cash payment for six months or the Executive' s COBRA health continuation period, whichever ends earlier, in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to the Executive (and, if applicable, the Executive' s qualified and participating dependents) if the Executive had remained employed by the Company.

To the extent the Executive and the Company mutually agree to enter into a non-competition agreement, the time period set forth in Sections 5(a)(i) and (iii) will be increased by the number of months equal to the length of such non-competition period. The amounts payable under this Section 5(a) shall be paid or commence to be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payment shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable

pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be $1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 5(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive' s receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 5(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 5, the following terms shall have the following meanings:

"Change in Control" shall mean any of the following:

(i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity,

(ii) a merger, reorganization or consolidation pursuant to which the holders of the Company' s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction in substantially similar proportions as prior to such transaction,

(iii) the sale of all of the common stock of the Company to an unrelated person, entity or group thereof acting in concert, or

(iv) any other transaction in which the owners of the Company' s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the Company or any successor entity in substantially similar proportions as prior to such transaction immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

6. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive' s separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement on account of the Executive' s separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive' s separation from service, or (B) the Executive' s death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive' s termination of employment, then such payments or benefits shall be payable only upon the Executive' s "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

7. Arbitration of Disputes.

(a) Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Executive' s employment or the termination of that employment (including, without limitation, statutory claims under local, state or federal law, such as any claims of unlawful employment discrimination or harassment whether based on age or otherwise, and common law claims) shall, to the fullest extent permitted by law, be settled by binding arbitration under the auspices of the Judicial Arbitration and Mediations Services ("JAMS") in San Francisco, California in accordance with the Employment Arbitration Rules and Procedures of JAMS (the "JAMS Rules"). The arbitrator may grant injunctions and other relief in such disputes. The arbitrator shall administer and conduct any arbitration in accordance with California law, including the California Code of Civil Procedure, exclusive of conflict or choice of law rules. To the extent that the JAMS Rules conflict with California law, California law shall take precedence. Notwithstanding the foregoing, with respect to applicable substantive law, any arbitration conducted pursuant to the terms of this Agreement shall be governed by the Federal Arbitration Act (9 U.S.C., Secs. 1-16). The decision of the arbitrator shall be final, conclusive, and binding on the parties to the arbitration.

(b) The Executive and the Company hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury. The Executive and the Company agree that the arbitrator shall have the power to award any remedies available under applicable law, and that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. This Section 7 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is

appropriate; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 7. Executive understands that the Company will pay for any administrative or hearing fees charged by the arbitrator or JAMS except that the Executive shall pay any filing fees associated with any arbitration that Executive initiates, but only so much of the filing fee as Executive would have instead paid had Executive filed a complaint in a court of law.

(c) Executive agrees that Executive will not assert class action or representative action claims against the Company in arbitration or otherwise, nor will Executive join or serve as a member of a class action or representative action, and Executive agrees that Executive will only submit Executive' s own, individual claims in arbitration and will not seek to represent the interests of any other person.

(d) Executive understands that this Agreement does not prohibit Executive from pursuing an administrative claim with a local, state or federal administrative body or government agency (i.e. Equal Employment Opportunity Commission, National Relations Board, Department of Fair Employment and Housing, Workers Compensation Board). Executive is, however, precluded from pursuing court action regarding any such claim, except as permitted by law.

8. Consent to Jurisdiction. To the extent that any court action is permitted consistent with or to enforce Section 7 of this Agreement, the parties hereby consent to the jurisdiction of the Superior Court of the State of California and the United States District Court for the Northern District of California. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, including without limitation the Offer Letter (except to the extent the terms of such Offer Letter govern the Existing Equity Awards), provided that, except to the extent explicitly provided herein, this Agreement shall not affect the terms of any Existing Equity Awards and provided further that the following agreements will not be superseded by this Agreement but will remain in full force and effect in accordance with their terms: the Proprietary Agreement.

10. Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

11. Successor to the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive' s personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive' s death after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive' s beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation).

12. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive' s employment to the extent necessary to effectuate the terms contained herein.

14. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

15. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

16. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

17. Governing Law. This is a California contract and shall be construed under and be governed in all respects by the laws of the State of California, without giving effect to the conflict of laws principles of such State. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the Ninth Circuit.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

19. Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

20. Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

HORTONWORKS, INC.

By: _____

Its: _____

EXECUTIVE

_____

[Executive]

**EXHIBIT A**

**SEPARATION AGREEMENT AND RELEASE**

This Separation Agreement and Release ("Agreement") is made by and between **[EXECUTIVE]** ("Employee") and Hortonworks, Inc. (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party").

**RECITALS**

WHEREAS, Employee was employed by the Company, pursuant to the terms of an Employment Agreement by and between the Employee and the Company dated [ ] (the "Employment Agreement");

WHEREAS, Employee signed an [ ] with the Company on [ ] (the "Confidentiality Agreement") and an "[ ]" with the Company on [ ] (the "Indemnification Agreement");

WHEREAS, the Company and Employee have entered into **[LIST EQUITY AWARD AGREEMENTS]**, granting Employee **[stock options][and][restricted stock]** subject to the terms and conditions of the Company' s 2011 Stock Option Plan and/or the applicable equity award agreements (collectively the "Stock Agreements");

WHEREAS, the Company terminated Employee' s employment with the Company effective [ ] (the "Termination Date"); and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Employee may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Employee' s employment with or separation from the Company;

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows:

**COVENANTS**

1. Consideration.

a. Payment. The Company agrees to pay Employee a total of [ ] Dollars ($[ ]), at the rate of [ ] Dollars ($[ ]) per month/week, less applicable withholding, for **[six (6) months]** from the first regular payroll date following the Effective Date, in accordance with the Company' s regular payroll practices.

b. COBRA. The Company shall reimburse Employee for the payments Employee makes for Employee' s (and, if applicable, the Employee' s qualified and participating dependents) COBRA coverage for a period of six (6) months, or until Employee has secured other employment, whichever occurs first, provided Employee timely elects and pays for continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), within the time period prescribed pursuant to COBRA. COBRA reimbursements shall be made by the Company to Employee consistent with the Company' s normal expense reimbursement policy, provided that Employee submits documentation to the Company substantiating his/her payments for COBRA coverage.

2. Stock. The Parties agree that for purposes of determining the number of shares of the Company' s common stock that Employee is entitled to purchase from the Company, pursuant to the exercise of outstanding options, Employee will be considered to have vested only up to the Termination Date (including any vesting acceleration pursuant to the terms of the Employment Agreement and/or Stock Agreements). Employee acknowledges that as of the Termination Date, Employee will have vested in [ ] options and [ ] shares of stock and no more. The exercise of Employee' s vested options and shares shall continue to be governed by the terms and conditions of the Company' s Stock Agreements.

3. Benefits. Employee' s (and, if applicable, the Employee' s qualified and participating dependents) health insurance benefits shall cease on the last day of [ ] [ ], subject to Employee' s right to continue his/her health insurance under COBRA. Employee' s participation in all benefits and incidents of employment, including, but not limited to, vesting in stock, stock options and stock-based awards, and the accrual of bonuses, vacation, and paid time off, ceased as of the Termination Date.

4. Payment of Salary and Receipt of All Benefits. Employee acknowledges and represents that, other than the consideration set forth in this Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Employee.

5. Release of Claims. Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "Releasees"). Employee, on his/her own behalf and on behalf of his/her respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the Effective Date of this Agreement, including, without limitation:

a. any and all claims relating to or arising from Employee' s employment relationship with the Company and the termination of that relationship;

b. any and all claims relating to, or arising from, Employee' s right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the Immigration Control and Reform Act; the California Family Rights Act; the California Labor Code; the California Workers' Compensation Act; and the California Fair Employment and Housing Act;

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; and

h. any and all claims for attorneys' fees and costs.

Employee agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement, nor shall this release affect Employee' s rights to any vested retirement benefits under any Section 401(k) plan or for other vested benefits under employee benefit plans (other than equity incentive plans, plans linked to equity securities or

other similar benefits, plan or programs). This release does not release claims that cannot be released as a matter of law, including, but not limited to, Employee' s right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give Employee the right to recover any monetary damages against the Company; Employee' s release of claims herein bars Employee from recovering such monetary relief from the Company). Notwithstanding the foregoing, Employee acknowledges that any and all disputed wage claims that are released herein shall be subject to binding arbitration in accordance with this Agreement, except as required by applicable law. Employee represents that he/she has made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this Section.

6. Acknowledgment of Waiver of Claims under ADEA. Employee acknowledges that he/she is waiving and releasing any rights he/she may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Employee agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Employee acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that he/she has been advised by this writing that: (a) he/she should consult with an attorney prior to executing this Agreement; (b) he/she has twenty-one (21) days within which to consider this Agreement; (c) he/she has seven (7) days following his/her execution of this Agreement to revoke this Agreement; (d) this Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Employee signs this Agreement and returns it to the Company in less than the 21-day period identified above, Employee hereby acknowledges that he/she has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Employee acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Agreement on the Company' s behalf that is received prior to the eighth day after Employee signs this Agreement. The parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period.

7. California Civil Code Section 1542. Employee acknowledges that he/she has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Employee, being aware of said code section, agrees to expressly waive any rights he/she may have thereunder, as well as under any other statute or common law principles of similar effect.

8. No Pending or Future Lawsuits. Employee represents that he/she has no lawsuits, claims, or actions pending in his/her name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Employee also represents that he/she does not intend to bring any claims on his/her own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

9. Application for Employment. Employee understands and agrees that, as a condition of this Agreement, Employee shall not be entitled to any employment with the Company, and Employee hereby waives any right, or alleged right, of employment or re-employment with the Company. Employee further agrees not to apply for employment with the Company and not to otherwise pursue an independent contractor or vendor relationship with the Company.

10. Confidentiality. Employee agrees to maintain in complete confidence the existence of this Agreement, the contents and terms of this Agreement, and the consideration for this Agreement (hereinafter collectively referred to as "Separation Information"). Except as required by law, Employee may disclose Separation Information only to his/her immediate family members, the Court in any proceedings to enforce the terms of this Agreement, Employee' s attorney(s), and Employee' s accountant and any professional tax advisor to the extent that they need to know the Separation Information in order to provide advice on tax treatment or to prepare tax returns, and must prevent disclosure of any Separation Information to all other third parties. Employee agrees that he/she will not publicize, directly or indirectly, any Separation Information.

11. Trade Secrets and Confidential Information/Company Property. Employee reaffirms and agrees to observe and abide by the terms of the Confidentiality Agreement, specifically including the provisions therein regarding nondisclosure of the Company' s trade secrets and confidential and proprietary information, and nonsolicitation of Company employees. Employee' s signature below constitutes his/her certification under penalty of perjury that he/she has returned all documents and other items provided to Employee by the Company, developed or obtained by Employee in connection with his/her employment with the Company, or otherwise belonging to the Company.

12. No Cooperation. Employee agrees that he/she will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement. Employee agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Employee shall state no more than that he/she cannot provide counsel or assistance.

13. Mutual Nondisparagement. Employee agrees to refrain from any disparagement, defamation, libel, or slander of any of the Releasees, and agrees to refrain from any tortious interference with the contracts and relationships of any of the Releasees. The Company agrees to instruct employees, officers, or directors whom it informs of the circumstances or reasons related to the termination of the Employee to refrain from any disparagement, defamation, libel, or slander of Employee, and agrees to refrain from any tortious interference with the contracts and relationships of Employee. Employee shall direct any inquiries by potential future employers to the Company' s human resources department, which shall use its best efforts to provide only the Employee' s last position and dates of employment.

14. Breach. Employee acknowledges and agrees that any material breach of this Agreement, unless such breach constitutes a legal action by Employee challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, or of any provision of the Confidentiality Agreement shall entitle the Company immediately to recover and/or cease providing the consideration provided to Employee under this Agreement and to obtain damages, except as provided by law.

15. No Admission of Liability. Employee understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Employee. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Employee or to any third party.

16. Nonsolicitation. Employee agrees that for a period of twelve (12) months immediately following the Effective Date of this Agreement, Employee shall not directly or indirectly solicit any of the Company' s employees to leave their employment at the Company.

17. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement.

18. Arbitration of Disputes.

(a) Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Employee' s employment or the termination of that employment (including, without limitation, statutory claims under local, state or federal law, such as any claims of unlawful employment discrimination or harassment whether based on age or otherwise, and common law claims) shall, to the fullest extent permitted by law, be settled by binding arbitration under the auspices of the Judicial Arbitration and Mediations Services ("JAMS") in San Francisco, California in accordance with the Employment Arbitration Rules and Procedures of JAMS (the "JAMS Rules"). The arbitrator may grant injunctions and other relief in such disputes. The arbitrator shall administer and conduct any arbitration in accordance with California law, including the California Code of Civil Procedure, exclusive of conflict or choice of law rules. To the extent that the JAMS Rules

conflict with California law, California law shall take precedence. Notwithstanding the foregoing, with respect to applicable substantive law, any arbitration conducted pursuant to the terms of this Agreement shall be governed by the Federal Arbitration Act (9 U.S.C., Secs. 1-16). The decision of the arbitrator shall be final, conclusive, and binding on the parties to the arbitration.

(b) The Employee and the Company hereby agree to waive their right to have any dispute between them resolved in a court of law by a judge or jury. The Employee and the Company agree that the arbitrator shall have the power to award any remedies available under applicable law, and that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. This Section 18 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 18. Employee understands that the Company will pay for any administrative or hearing fees charged by the arbitrator or JAMS except that the Employee shall pay any filing fees associated with any arbitration that Employee initiates, but only so much of the filing fee as Employee would have instead paid had Employee filed a complaint in a court of law.

(c) Employee agrees that Employee will not assert class action or representative action claims against the Company in arbitration or otherwise, nor will Employee join or serve as a member of a class action or representative action, and Employee agrees that Employee will only submit Employee' s own, individual claims in arbitration and will not seek to represent the interests of any other person.

(d) Employee understands that this Agreement does not prohibit Employee from pursuing an administrative claim with a local, state or federal administrative body or government agency (i.e. Equal Employment Opportunity Commission, National Relations Board, Department of Fair Employment and Housing, Workers Compensation Board). Employee is, however, precluded from pursuing court action regarding any such claim, except as permitted by law.

19. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Employee or made on his/her behalf under the terms of this Agreement. Employee agrees and understands that he/she is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. Employee further agrees to indemnify and hold the Company harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) Employee' s failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs.

20. Section 409A. It is intended that this Agreement comply with, or be exempt from, Code Section 409A and the final regulations and official guidance thereunder ("Section 409A") and any ambiguities herein will be interpreted to so comply and/or be exempt from Section 409A. Each payment and benefit to be paid or provided under this Agreement is intended to constitute a series of separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. The Company and Employee will work together in good faith to consider either (i) amendments to this Agreement; or (ii) revisions to this Agreement with respect to the payment of any awards, which are necessary or appropriate to avoid imposition of any additional tax or income recognition prior to the actual payment to Employee under Section 409A. In no event will the Company reimburse Employee for any taxes that may be imposed on Employee as a result of Section 409A.

21. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Employee represents and warrants that he/she has the capacity to act on his/her own behalf and on behalf of all who might claim through him/her to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

22. No Representations. Employee represents that he/she has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

23. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

24. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Agreement and Employee' s employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee' s relationship with the Company, with the exception of the Confidentiality Agreement and the Indemnification Agreement.

25. No Oral Modification. This Agreement may only be amended in a writing signed by Employee and a duly authorized representative of the Company.

26. Governing Law. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the State of California.

27. Effective Date. Employee understands that this Agreement shall be null and void if not executed by him/her within twenty one (21) days. Each Party has seven (7) days after that Party signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Employee signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "Effective Date").

28. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

29. Voluntary Execution of Agreement. Employee understands and agrees that he/she executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of his/her claims against the Company and any of the other Releasees. Employee acknowledges that:

(a) he/she has read this Agreement;

(b) he/she has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of his/her own choice or has elected not to retain legal counsel;

(c) he/she understands the terms and consequences of this Agreement and of the releases it contains; and

(d) he/she is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

**[EXECUTIVE]**, an individual

Dated: , 20

**[EXECUTIVE]**

HORTONWORKS, INC.

Dated: , 20

By

Name:

Title:

**Exhibit 10.5**

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**LEASE BETWEEN**
**SI 44 LLC AND HORTONWORKS INC.**

**1. PARTIES:**

THIS LEASE, is entered into on this 18th day of September 2012, ("**Effective Date**") between SI 44, a California Limited Liability Company, whose address is 10600 North De Anza Boulevard, Suite 200, Cupertino, CA 95014 and Hortonworks Inc., a Delaware Corporation, whose address prior to the Commencement Date (defined in Section 4.A below) is 455 W. Maude Avenue, Suite 200, Sunnyvale, CA 94085, and whose address commencing on the Commencement Date is at the Premises, hereinafter called respectively Landlord and Tenant. Landlord and Tenant are collectively referred to in this Lease as the "Parties".

**2. PREMISES:**

Landlord hereby leases to Tenant, and Tenant hires from Landlord those certain premises situated in the City of Palo Alto, County of Santa Clara, State of California, commonly known and designated as 3460 West Bayshore Road (the "**Premises**"). For purposes of this Lease the building in which the Premises is located ("**Building**") is deemed to be 30,000 rentable square feet including parking for approximately 90 cars as outlined on Exhibit "A". Tenant shall also have the nonexclusive right to use areas designated by Landlord as common area from time to time ("**Common Area**") including but not limited to parking areas and structures, and landscaping, sidewalks, service areas and other common facilities. The Building and Common Area are situated within a project site as outlined in Exhibit "A" attached hereto ("**Project**").

Landlord shall have the right, in its sole and absolute discretion (except as provided in this paragraph below), from time to time, to: (a) make changes to the Common Area and/or the Project, including, without limitation, driveways, entrances, circulation drives, parking spaces, parking areas, direction of driveways, landscaped areas and walkways, but in no event if the same shall materially and adversely impact Tenants uses and occupancy of the Premises; (b) close temporarily any of the Common Area for maintenance purposes so long as reasonable access to the Premises remains available; (c) add additional buildings to the Project and improvements to the Common Area or remove or alter existing buildings or improvements (other than the Building) in the Project, but in no event if the same shall materially and adversely impact Tenant' s uses and occupancy of the Premises; (d) use the Common Area while engaged in making additional improvements, repairs or alterations, to Project, and (e) do and perform any other acts, alter or expand or make any other changes in, to or with respect to the Common Area and/or the Project as Landlord may, in its sole and absolute discretion, deem to be appropriate (but in no event if the same shall materially and adversely impact Tenant' s uses land occupancy of the Premises); provided, however, in no event shall any of the foregoing reduce the number or type of parking spaces available to Tenant.

Landlord and Tenant have agreed to use the square footage numbers set forth in this Lease as the basis of calculating the rent due under this Lease and Tenant' s Allocable Share (defined in Section 8.E below), and the rent due under this Lease and Tenant' s Allocable Share shall not be subject to revision if the actual square footages are more or less than as stated in this Lease, except as expressly provided elsewhere in this Lease (for example, in the event of a

partial taking of the Project as described in Section 16 below). No representation or warranty of any kind, express or implied, is given to Tenant with respect to the square footage of the Premises, Building or any other portion of the Project. Tenant shall have the sole responsibility for confirming the actual square footage of the Premises prior to entering into this Lease. Landlord shall have no liability to Tenant if the square footages described in this Lease differs from the actual square footages.

**3. USE:**

**A. Permitted Uses:**

Tenant shall use the Premises as permitted under applicable zoning laws only for the following purposes and shall not change the use of the Premises without the prior written consent of Landlord: Office, open source engineering, training, research and development, marketing, light manufacturing, ancillary storage and other legally permitted uses incidental thereto. Tenant shall have use of all parking spaces at the Premises. All commercial trucks and delivery vehicles shall (i) be parked at the rear of the Building, (ii) loaded and unloaded in a manner which does not interfere with the businesses of other occupants of the Project, and (iii) permitted to remain within the Project only so long as is reasonably necessary to complete the loading and unloading. Landlord reserves the right to impose such additional rules and regulations as Landlord deems reasonably necessary to operate the Project in a manner which protects the quiet enjoyment of all tenants in the Project; provided, however, in no event shall any such rules or regulations increase Tenant' s obligations or decrease its rights under this Lease. Landlord makes no representation or warranty that any specific use of the Premises desired by Tenant is permitted pursuant to any Laws (as defined in Section 7.C below).

**B. Uses Prohibited:**

Tenant shall not commit or suffer to be committed on the Premises, or any portion of the Project any waste, nuisance, or other act or thing which may unreasonably disturb the quiet enjoyment of any other tenant or user of the Project, nor allow any sale by auction or any other use of the Premises for an unlawful purpose. Tenant shall not (i) damage or overload the electrical, mechanical or plumbing systems of the Premises, (ii) attach, hang or suspend anything from the ceiling, walls or columns of the Building in excess of the load limits for which such ceiling, walls or columns are designed, or set any load on the floor in excess of the load limits for which such floors are designed, or (iii) generate dust, fumes or waste products which create a fire or health hazard or damage the Premises or any portion of the Project, including without limitation the soils or ground water in or around the Project. No materials, supplies, equipment, finished products or semi-finished products, raw materials or articles of any nature, or any waste materials, refuse, scrap or debris, shall be stored upon or permitted to remain on any portion of the Project outside of the Building without Landlord' s prior approval, which approval may be withheld in its sole and absolute discretion.

**C. Advertisements and Signs:**

Tenant shall not place or permit to be placed in, upon or about the Premises any signs not approved by the City of Palo Alto ("**City**") and other governing authority having jurisdiction. Tenant will not place or permit to be placed upon the Premises any signs, advertisements or notices without the written consent of Landlord as to type, size, design, lettering, coloring and location, which consent will not be unreasonably withheld. Any sign placed on the Premises shall be removed by Tenant, at its sole cost, prior to the expiration or sooner termination of the Lease, and Tenant shall repair, at its sole cost, any damage or injury to the Premises caused thereby, and if not so removed, then Landlord may have same so removed at Tenant' s expense. Subject to the requirements of this Section 3.C above, Landlord consents to Tenant' s placement of a Building-mounted exterior sign and all monument signage within the Project which identifies Tenant, at Tenant' s sole cost and expense.

**D. Covenants, Conditions and Restrictions:**

This Lease is subject to the effect of (i) any publicly recorded covenants, conditions, restrictions, easements, mortgages or deeds of trust, ground leases, rights of way of record and any other matters or documents of record; and (ii) any zoning laws of the city, county and state where the Building is situated (collectively referred to herein as "**Restrictions**") and Tenant shall conform to and will not violate the terms of any such Restrictions.

**E. Sustainability Requirements:**

As used in this Lease, "Sustainability Requirements" means any and all Laws relating to any "green building" or other environmental sustainability practices and requirements now or hereafter in effect or imposed by any governmental authority or applicable Laws from time to time ("**Sustainability Requirements**"). Without limiting the scope of any Sustainability Requirements that may be in effect from time to time, Tenant acknowledges that Sustainability Requirements may address whole-building or premises operations, construction issues, maintenance issues and other issues, including without limitation requirements relating to: chemical use; indoor air quality; energy and water efficiency; recycling programs; interior and exterior maintenance programs; systems upgrades to meet green or sustainable building energy, water, air quality, and lighting performance standards; construction methods and procedures; material purchases; disposal of garbage, trash, rubbish and other refuse and waste; and the use of proven energy and carbon reduction measures. Neither Tenant nor Tenant' s Agents shall use or operate the Premises in a manner that will cause any part of the Project to be in non-compliance with any Sustainability Requirements in effect from time to time.

**4. TERM AND RENTAL:**

**A. Term; Base Monthly Rent:**

The Lease term ("**Lease Term**") shall be for sixty (60) months, commencing on November 1, 2012 (the "**Commencement Date**") (but in no event prior to delivery of actual possession of the Premises to Tenant), and ending October 31, 2017, ("**Expiration Date**"). If for any reason other than delays caused by Tenant or Tenant' s Agents, possession of the Premises is not delivered to Tenant by December 1, 2012, Tenant shall have the right to thereafter terminate this Lease by delivering written notice of termination to Landlord prior to the date that the Premises is delivered to Tenant, and upon such termination Landlord shall promptly return to Tenant, any prepaid rent or Security Deposit previously provided to Landlord by Tenant under this Lease. Notwithstanding the Parties' agreement that the Lease Term begins on the Commencement Date, this Lease and all of the obligations of Landlord and Tenant shall be binding and in full force and effect from and after the Effective Date; provided, however that rent shall not accrue and Tenant shall have no physical compliance obligation with respect to the Premises until delivery of possession of the Premises to Tenant. In addition to all other sums payable by Tenant under this Lease, Tenant shall pay as base monthly rent ("**Base Monthly Rent**") for the Premises in accordance with the following schedule:

| | |
|---|---|
| 11/1/12-11/30/12 | $0.00 per month |
| 12/1/12-10/31/13 | $94,500 per month |
| 11/1/13-10/31/14 | $98,280 per month |

| | |
|---|---|
| 11/1/14-10/31/15 | $102,211 per month |
| 11/1/15-10/31/16 | $106,300 per month |
| 11/1/16-10/31/17 | $110,551 per month |

If the Commencement Date is delayed and occurs later than November 1, 2012, the first month' s free rent shown in the rent schedule immediately above shall apply to the first full calendar month of the Lease Term, rather than to the period from November 1, 2012 through November 30, 2012. Base Monthly Rent shall be due in advance on or before the first day of each calendar month during the Lease Term. All sums payable by Tenant under this Lease shall be paid to Landlord in lawful money of the United States of America, without offset or deduction and except as otherwise expressly provided in this Lease without prior notice or demand, at the address specified in Section 1 of this Lease or at such place or places as may be designated in writing by Landlord during the Lease Term. Base Monthly Rent for any period less than a calendar month shall be a pro rata portion of the monthly installment based on the number of days in the partial calendar month; provided that if this Lease terminates due to Tenant' s default, Tenant shall not be relieved of the obligation to pay future accruing rent, and the provisions of Section 13 shall control. Concurrently with Tenant' s execution of this Lease, Tenant shall pay to Landlord the sum of Ninety Four Thousand Five Hundred Dollars ($94,500) as a deposit to be applied on the Commencement Date against the Base Monthly Rent due for the first month of the Lease Term for which Base Monthly Rent is due.

**B. Late Charge:**

Tenant hereby acknowledges that late payment by Tenant to Landlord of Base Monthly Rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which is extremely difficult to ascertain. Such costs include but are not limited to: administrative, processing, accounting, and late charges which may be imposed on Landlord by the terms of any contract, revolving credit, mortgage, or trust deed covering the Premises. Accordingly, if any installment of Base Monthly Rent or other sum due from Tenant shall not be received by Landlord or its designee within five (5) days after it is due, Tenant shall pay to Landlord a late charge equal to five (5%) percent of such overdue amount, which late charge shall be due and payable on the same date that the overdue amount was due. Notwithstanding the foregoing, Tenant shall be entitled to one (1) notice and five (5)-day cure period each calendar year before the first late charge for such calendar year shall accrue. No notice or cure period shall be required or apply for the second or any subsequent late charge during a calendar year. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant, excluding interest and attorneys fees and costs. If any Base Monthly Rent or other sum due from Tenant remains delinquent for a period in excess of thirty (30) days then, in addition to such late charge, Tenant shall pay to Landlord interest on any rent that is not paid when due at the Agreed Interest Rate (defined in Section 13.B) from the date such amount became due until paid. Acceptance by Landlord of such late charge or interest shall not constitute a waiver of Tenant' s default with respect to such overdue amount nor prevent Landlord from exercising any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments-of Base Monthly Rent, then the Base Monthly

Rent shall automatically become due and payable quarterly in advance, rather than monthly, notwithstanding any provision of this Lease to the contrary. In no event shall this provision for a late charge be deemed to grant to Tenant a grace period or extension of time within which to pay any amount due under this Lease.

**5. SECURITY DEPOSIT:**

**A. Amount and Purpose:**

Concurrently with Tenant' s execution of this Lease, Tenant shall provide Landlord an irrevocable standby letter of credit (as replaced or amended pursuant to this Section 5, the "**Letter of Credit**") in the amount of Four Hundred Ten Thousand Five Hundred Fifty One Dollars ($410,551) in a form, containing terms, issued by a lending institution, and drawable in a location all reasonably acceptable to Landlord (the Letter of Credit and all proceeds thereof, and all other sums paid to Landlord in substitution of the foregoing, being referred to as the "**Security Deposit**"). If Tenant defaults with respect to any provisions of the Lease, including but not limited to (i) the provisions relating to payment of Base Monthly Rent or other charges in default, or any other amount which Landlord may spend or become obligated to spend by reason of Tenant' s default, or (ii) breach of any of Tenant' s obligations under this Section 5, Landlord shall be entitled to draw the full amount of the Letter of Credit at any time by certifying the occurrence of such default to the issuer; thereafter, the Security Deposit shall be in the form of cash held by Landlord. Tenant' s failure to timely comply with its obligations under this Section 5 shall constitute a material default of Tenant, for which no notice or opportunity to cure shall apply or be required before Landlord is entitled to draw the full amount of the Letter of Credit. The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of every term, covenant and condition of this Lease applicable to Tenant, and not as prepayment of rent. Landlord may, but shall not be obligated to, and without waiving or releasing Tenant from any obligation under this Lease, use, apply or retain the whole or any part of the Security Deposit reasonably necessary for the payment of any amount which Landlord may spend by reason of Tenant' s default or as necessary to compensate Landlord for any loss or damage which Landlord may suffer by reason of Tenant' s default, including without limitation loss of future rents due under this Lease upon termination of this Lease due to a default by Tenant and other damages recoverable under California Civil Code Section 1951.2. Landlord shall not be deemed a trustee of the Security Deposit or any other funds held by Landlord, and Landlord shall not be required to keep the Security Deposit or any such other funds separate from its general funds. The Security Deposit and such other funds shall not bear interest for the benefit of Tenant. If Tenant defaults more than three (3) times in any twelve (12) month period, and Landlord has delivered a notice of default for three (3) of such defaults in any twelve (12) month period, irrespective of whether or not any such default is cured, then the Letter of Credit or cash Security Deposit held by Landlord shall, within ten (10) days after demand by Landlord, be increased by Tenant to an amount equal to three (3) times the Base Monthly Rent then payable.

**B. Requirements of Letter of Credit:**

Tenant shall keep the Letter of Credit in effect during the entire Lease Term, as the same may be extended, plus a period of four (4) weeks following the Expiration Date. At least thirty (30) days prior to expiration of any Letter of Credit, the term thereof shall be renewed or extended for a period of at least one (1) year. If the issuer of the Letter of Credit becomes insolvent, is closed or is placed in receivership, or if Landlord is notified that the Letter of Credit will not be honored, or if there is a material negative change in the issuer' s credit rating or ability to meet its obligations, then within five (5) days after demand from Landlord, Tenant shall deliver to Landlord a new Letter of Credit issued by a lending institution acceptable to Landlord in Landlord' s reasonable discretion, and otherwise meeting the requirements of this Section 5. In the event Landlord draws against the Letter of Credit and the Security Deposit reverts to a cash Security Deposit held by Landlord, Tenant shall replenish the remaining Security Deposit such that the aggregate amount of Security Deposit available to Landlord at all times during the Lease Term is the amount of the Security Deposit originally required, as the same may be required to be increased as provided below. If at any time while a Letter of Credit is held as a Security Deposit, Tenant is a Debtor (as defined in Section 101(13) of the Bankruptcy Code) under any case or filing, then, anything in this Section 5 to the contrary notwithstanding, Landlord shall not be required to give Tenant written notice of and/or opportunity to cure or grace period to cure any default under this Lease prior to Landlord drawing upon the Letter of Credit following Tenant' s failure to perform any of its obligations under this Lease. If Tenant performs every provision of this Lease to be performed by Tenant, the Security Deposit shall be returned to Tenant within thirty (30) days after the Expiration Date and surrender of the Premises to Landlord in the condition required by this Lease, less any amount deducted in accordance with this Section 5, together with Landlord' s written notice itemizing the amounts and purposes for such deduction. Tenant hereby waives California Civil Code Section 1950.7, or any similar law now or hereafter in effect (including, without limitation, any federal law) which may have the effect of limiting the circumstances under which Landlord would be allowed to use or apply the Security Deposit or amount that could be so used or applied, or imposing a deadline for the return of the Security Deposit. In the event of termination of Landlord' s interest in this Lease, Landlord shall deliver the Letter of Credit or cash Security Deposit to Landlord' s successor in interest in the Premises and thereupon be relieved of further responsibility with respect to the Letter of Credit or cash Security Deposit; provided however that if Tenant fails to timely perform its obligations under the next sentence, Landlord shall have the right, upon request of Landlord' s successor, to draw on the Letter of Credit on behalf of Landlord' s successor. Upon termination or transfer of Landlord' s interest in the Lease, within five (5) days after request by Landlord or Landlord' s successor, Tenant shall either cause the Letter of Credit to be amended to name Landlord' s successor as the party entitled to draw down on the Letter of Credit and deliver such amendment to the requesting party, or shall obtain and deliver to the requesting party a new Letter of Credit naming Landlord' s successor as the party entitled to draw on the Letter of Credit and otherwise meeting the requirement of this Section 5, and any transfer fee required to be paid to the issuer solely to effectuate the change in beneficiary (as opposed to any other issuance cost or collateral requirement) shall be paid by Landlord. Landlord shall have the right to pledge the Letter of Credit or otherwise grant a security interest therein to Landlord' s lenders, and shall have the right to deliver the Letter of Credit or all or any portion of any cash Security Deposit to Landlord' s lenders in connection therewith, provided the Letter of Credit or cash Security Deposit shall only be used in accordance with, and shall continue to be governed by, the terms and provisions of

this Section 5. At Landlord' s election, within ten (10) days after request by Landlord, Tenant shall either cause the Letter of Credit to be amended to name Landlord' s lenders as the beneficiary or as a co-beneficiary with Landlord, and/or as a co-signer of any certification presented for a draw down of the Letter of Credit, and to incorporate other changes to the Letter of Credit reasonably requested by Landlord or Landlord' s lenders, or shall obtain a new Letter of Credit to effectuate such changes and otherwise meeting the requirements of this Section 5, and any transfer fee required to be paid to the issuer solely to effectuate the change in beneficiary (as opposed to any other issuance cost or collateral requirement) shall be paid by Landlord. If a new Letter of Credit is delivered to Landlord as required by this Section 5.B, the old Letter of Credit shall be promptly returned to Tenant. If Landlord or a designated lender rightfully attempts to draw on the Letter of Credit but does not receive the full amount requested in cash, Tenant shall within five (5) days after demand from Landlord, deposit with Landlord cash in the amount of the deficiency.

**6. ACCEPTANCE OF POSSESSION AND COVENANTS TO SURRENDER:**

**A. Landlord' s Work:**

Prior to the Commencement Date, Landlord agrees to complete the improvements to the Premises ("**Landlord' s Work**") outlined in Exhibit "B".

**B. Delivery and Acceptance:**

On the Commencement Date, Landlord shall deliver and Tenant shall accept possession of the Premises with all building systems and components in good working order and repair, and otherwise in conformity with items (i) though (iv) and (vi) through (viii) of the Surrender Condition (defined in Section 6.C below) (intentionally excluding item (v) relating to cabling), and Tenant shall enter into occupancy of the Premises on the Commencement Date. By accepting possession of the Premises, Tenant acknowledges that it has had an opportunity to conduct, and has conducted, such inspections of the Premises as it deems necessary to evaluate its condition and has determined that the Premises is in the condition required by Section 6.A and this Section 6.B above. Except as otherwise specifically provided in this Lease, Tenant agrees to accept possession of the Premises in its then existing condition, subject to all Restrictions and without representation or warranty by Landlord, express or implied Tenant' s taking possession of any part of the Premises shall be deemed to be an acceptance of any work of improvement done by Landlord in such part as complete and in accordance with the terms of this Lease except for "Punch List" type items of which Tenant has given Landlord written notice prior to the time Tenant takes possession. At the time Landlord delivers possession of the Premises to Tenant, Landlord and Tenant shall together execute an acceptance agreement in form reasonably requested by Landlord. Landlord shall have no obligation to deliver possession, nor shall Tenant be entitled to take occupancy, of the Premises until such acceptance agreement has been executed, and Tenant' s obligation to pay Base Monthly Rent and all other rent due under this Lease shall not be excused or delayed because of Tenant' s failure to execute such acceptance agreement. Within thirty (30) days after the Commencement Date, Tenant agrees to be in occupancy of at least fifty percent (50%) of the rentable square footage of the Building.

**C. Condition Upon Surrender:**

Tenant further agrees on the expiration or sooner termination of this Lease, to surrender the Premises to Landlord in good condition and repair, normal wear and tear, casualty not caused by Tenant or Tenant' s Agents to the extent not covered by insurance, and condemnation excepted. In this regard, "normal wear and tear" shall be construed to mean wear and tear caused to the Premises by the natural aging process which occurs in spite of prudent application of customary standards for comparable buildings for maintenance, repair, replacement, and janitorial practices, and does not include items of neglected or deferred maintenance. In any event, Tenant shall cause the following to be done prior to the Expiration Date or sooner termination of this Lease: (i) all interior walls shall be painted or cleaned so that they appear freshly painted, (ii) all tiled floors shall be cleaned and waxed, (iii) all carpets shall be cleaned and shampooed, (iv) all broken, marred, stained or nonconforming acoustical ceiling tiles shall be replaced, (v) all cabling placed above the ceiling by Tenant or Tenant' s contractors shall be removed, (vi) all windows shall be washed, (vii) the HVAC system shall be serviced by a reputable and licensed service firm and left in "good operating condition and repair", which condition shall be so certified by such firm, and (viii) the plumbing and electrical systems and lighting shall be placed in good order and repair (including replacement of any burned out, discolored or broken light bulbs, ballasts, or lenses) (the "**Surrender Condition**"). On or before the Expiration Date or sooner termination of this Lease, Tenant shall remove all its personal property and trade fixtures from the Premises. All property and trade fixtures not so removed shall be deemed to have been abandoned by Tenant. As to all Alterations for which Landlord consent was not obtained, Tenant shall ascertain from Landlord not more than one (1) year and not less than ninety (90) days before the Expiration Date or sooner termination of this Lease whether Landlord desires to have any such Alterations made by Tenant removed and the Premises or any parts thereof restored to the condition existing before such Alterations, or to cause Tenant to surrender any or all Alterations in place to Landlord. If Landlord shall so desire, Tenant shall, at Tenant' s sole cost and expense, remove such Alterations described in the prior sentence as Landlord required and shall repair and restore said Premises or such parts thereof before the Expiration Date or sooner termination of this Lease. Such repair and restoration shall include causing the Premises to be brought into compliance with all applicable building codes and laws in effect at the time of the removal, repair and restoration to the extent such compliance is necessitated by the removal, repair and restoration work.

**D. Failure to Surrender:**

If the Premises are not surrendered at the Expiration Date or sooner termination of this Lease in the condition required by Section 6.C and other provisions of this Lease, Tenant shall indemnify, defend with counsel reasonably acceptable to Landlord, and hold Landlord and Landlord' s trustees, beneficiaries, shareholders, directors, officers, members, employees, partners, affiliates, agents, successors and assigns (collectively "**Landlord Related Parties**") harmless from and against all claims, liabilities, obligations, penalties, fines, actions, losses, damages, costs or expenses (including without limitation reasonable attorneys fees) to the extent resulting from delay by Tenant in so surrendering the Premises including, without limitation, any claims made by any succeeding tenant founded on such delay and costs incurred by Landlord in returning the Premises to the required condition, plus interest thereon at the Agreed Interest Rate. If Tenant remains in possession of the Premises after the Expiration Date or sooner termination of this Lease without Landlord' s consent, such hold over shall not constitute a renewal or extension of the Lease Term, Tenant' s continued possession shall be on the basis of a tenancy at sufferance, and Tenant shall be liable to Landlord for one hundred fifty percent (150%) of the Base Monthly Rent due in the month preceding the earlier termination or Expiration Date plus all other amounts payable by Tenant under this Lease. In addition, if Tenant holds over without Landlord' s consent, Tenant shall indemnify, defend with counsel reasonably acceptable to Landlord, and hold Landlord and the Landlord Related Parties harmless from and against all claims, liabilities, obligations, penalties, fines, actions, losses, damages, costs or expenses (including without limitation reasonable attorneys fees) resulting from delay by Tenant in timely surrendering the Premises. If Tenant holds over after the Expiration Date or sooner termination of this Lease with Landlord' s consent, such holding over shall be construed as a month to month tenancy, at one hundred fifty percent (150%) of the Base Monthly Rent for the month preceding expiration or sooner termination of this Lease in addition to all other rent due under this Lease, and shall otherwise be on the terms and conditions of this Lease, except for the following: those provisions relating to the Lease Term and any options to extend or renew, which provisions shall be of no further force and effect. This provision shall survive the termination or expiration of the Lease.

**E. Furniture, Fixtures and Equipment:**

Exhibit "C" attached hereto describes certain furniture, fixtures and equipment currently located in the Building (the "**FF&E**"). Tenant shall have the right to use the FF&E at the Premises during the Lease Term at no additional cost to Tenant. The FF&E will be provided in it' s "AS IS, WHERE IS" condition, subject to theft and casualty, without representation or warranty whatsoever and without any obligation on the part of Landlord to repair or replace same. Tenant shall surrender all of the FF&E provided to Tenant with the Premises upon the termination of this Lease in the same condition as received, reasonable wear and tear, casualty and condemnation excepted. Notwithstanding the prior sentence, Tenant shall have the option to purchase the FF&E at any time during the Lease Term for the price of One Dollars ($1) by delivering to Landlord during the Lease Term such payment and written notice of its exercise of such option, whereupon Tenant shall be required to remove and surrender the Premises free and clear of all of the FF&E not later than the expiration or sooner termination of this Lease;

**7. ALTERATIONS & ADDITIONS:**

**A. General Provisions:**

Tenant shall not make, or suffer to be made, any alteration or addition to the Premises ("**Alterations**"), or any part thereof, without obtaining Landlord' s prior written consent and delivering to Landlord the proposed architectural and structural plans for all such Alterations at least fifteen (15) days prior to the start of construction, all Tenant Improvements shall also constitute "Alterations" under this Lease. If such Alterations affect the structure of the Building, Tenant additionally agrees to reimburse Landlord its reasonable out-of-pocket costs incurred in reviewing Tenant' s plans. After obtaining Landlord' s consent, Tenant shall not proceed to make such Alterations until Tenant has obtained all required governmental approvals and permits, and provides Landlord reasonable security, in form reasonably approved by Landlord, to protect Landlord against mechanics' lien claims. Tenant agrees to provide Landlord (i) not less than ten (10) days prior written notice of the anticipated and actual start-date of the work, (ii) a complete set of half-size (15" X 21") vellum as-built drawings, and (iii) a certificate of occupancy, or other final government approval if the City does not issue certificates of occupancy, for the work upon completion of the Alterations. All Alterations shall be constructed by a licensed general contractor in compliance with all applicable Laws including, without limitation, all building codes, Sustainability Requirements and the Americans with Disabilities Act of 1990 as amended from time to time. Upon the Expiration Date or sooner termination of this Lease, all Alterations, except movable furniture and trade fixtures, shall become a part of the realty and belong to Landlord, except to the extent such Alterations are required to be removed pursuant to Section 6.C, and except that if at the time Landlord gives its consent to any Alteration, Landlord advises Tenant that such Alteration must be removed at expiration or sooner termination of this Lease, then Tenant shall be required to remove such Alteration and restore the Premises to the condition existing before such Alteration was performed not later than expiration or sooner termination of this Lease. Alterations which are not deemed as trade fixtures include without limitation heating, lighting, electrical systems, air conditioning, walls, carpeting, or any installation which has become an integral part of the Premises. All Alterations shall be maintained, replaced or repaired by Tenant at its sole cost and expense. In no event shall Landlord' s approval of, or consent to, any architect, contractor, engineer or other consultant or professional, any Alterations, or any plans, specifications and drawings for any Alterations constitute a representation or warranty by Landlord of (i) the accuracy or completeness of the plans, specifications, drawings and Alterations or the absence of design defects or construction flaws therein, or the qualification of any person or entity, or (ii) compliance with applicable Laws, and Tenant agrees that Landlord shall incur no liability by reason of such approval or consent. Once construction or installation of any Alterations begins, Tenant shall diligently and continuously pursue their completion.

**B. Free From Liens:**

Tenant shall keep the Premises free from all liens arising out of work performed, materials furnished, or obligations incurred by Tenant or claimed to have been performed for or furnished to Tenant. In the event Tenant fails to discharge any such lien within ten (10) days after receiving written notice of the filing, Landlord shall immediately be entitled to discharge the lien at Tenant' s expense and all resulting costs incurred by Landlord, including attorney' s fees shall be due immediately from Tenant as additional rent.

**C. Compliance With Governmental Regulations:**

The term Laws or Governmental Regulations shall include all federal, state, county, city or governmental agency laws, statutes, ordinances, codes, standards, rules, requirements, regulations, Sustainability Requirements or orders now in force or hereafter enacted, promulgated, or issued. The term also includes government measures regulating or enforcing public access, traffic mitigation, occupational, health, or safety standards for employers, employees, landlords, or tenants. Except as otherwise expressly provided in this Section 7.C below or elsewhere in this Lease to be a Landlord obligation, Tenant, at Tenant' s sole expense shall comply with all such Governmental Regulations applicable to the Premises or the Tenant' s use of the Premises and shall make all repairs, replacements, alterations, or improvements necessary to comply with said Governmental Regulations. Notwithstanding the foregoing, Landlord at its sole cost and expense shall be responsible for delivering the Premises, Building and associated exterior walkways and paths of ingress/egress in compliance with all such Laws and Governmental Regulations (including ADA and Title 24), to the extent such compliance is not required due to Tenant' s particular use of the Premises or any Alterations to be made by or on behalf of Tenant. To the extent the Premises is not in compliance with Laws and Governmental Regulations when the Premises is delivered to Tenant, Landlord, at Landlord' s sole expense shall be responsible for complying with all such Governmental Regulations without reimbursement of pass through of costs thereof to Tenant; provided, however, Tenant shall be responsible for compliance with any such Governmental Regulations where such is specific to Tenant' s use and occupancy of the Premises or is required as the result of any Alterations. The final judgment of any court of competent jurisdiction or the admission of Tenant in any action or proceeding against Tenant (whether Landlord be a party thereto or not) that Tenant has violated any such law, regulation or other requirement in its use of the Premises shall be conclusive of that fact as between Landlord and Tenant. Tenant' s obligations pursuant to this Section 7.C shall include, without limitation except as expressly provided above, maintaining and restoring the Premises and making structural and nonstructural alterations and additions to the Premises, Building and Common Area in compliance and conformity with all Laws and recorded documents to the extent required because of Tenant' s particular use of the Premises or any work or Alteration made by or on behalf of Tenant during the Lease Term. Subject to Landlord' s obligations set forth above, the foregoing shall include, without limitation, compliance with and improvements required by the Americans With Disabilities Act or any similar Laws, as they may be amended from time to time. Landlord' s approval of any Alteration or other act by Tenant shall not be deemed to be a representation by Landlord that said Alteration or act complies with applicable Laws, and Tenant shall remain solely responsible for said compliance. With respect to Tenant' s obligation to comply with Laws, if (i) such compliance is required in connection with a legal requirement that is not in effect when the Premises is delivered to Tenant, and (ii) such legal requirement imposes an obligation on Tenant to make improvements to the Premises the cost of which would constitute capital expenditures under generally accepted accounting principles, and (iii) such improvements are not required as the result of Tenant' s particular use of the Premises or any work or Alterations made by or on behalf of Tenant, then upon written request from Tenant, Landlord agrees to make such improvements subject to reimbursement by Tenant as described in the next sentence. The costs incurred by Landlord in making the improvements requested by Tenant pursuant to the prior sentence shall be amortized over the number of months in the useful life of the capital improvement, as reasonably determined by Landlord in accordance with generally accepted accounting principles, and the monthly amortized portion of such improvements together with interest thereon at the Agreed Interest Rate shall be paid by Tenant on the first day of each calendar month during the Lease Term commencing on the first day of the calendar month after such costs are incurred by Landlord.

**D. Insurance Requirements:**

Tenant shall maintain during the course of construction of its Alterations, at its sole cost and expense, builders' risk insurance for the amount of the completed value of the Alterations on an all-risk non-reporting form covering all improvements under construction, including building materials, and other insurance in amounts and against such risks as Landlord shall reasonably require in connection with the Alterations. In addition to and without limitation on the generality of the foregoing, Tenant shall ensure that its contractors procure and maintain in full force and effect during the course of construction a "broad form" commercial general liability and property damage policy of insurance naming Landlord, any property manager designated by Landlord and Landlord' s lenders and affiliates of Landlord that are designated by Landlord from time to time as additional insureds. The minimum limit of coverage of the aforesaid policy shall be in the amount of not less than One Million Dollars ($1,000,000.00) per occurrence and One Million Dollars ($1,000,000.00) annual aggregate, and shall contain a severability of interest clause Of a cross liability endorsement. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

**8. MAINTENANCE OF PREMISES:**

**A. Landlord' s Obligations:**

Landlord at its sole cost and expense, shall maintain in good condition, order, and repair, and replace as and when necessary, the structural components of the Building including the foundation, exterior load bearing walls and roof structure, except that the cost to repair any damage caused by Tenant or Tenant' s Agents shall be paid for by Tenant to the extent the cost of repair is not fully paid to Landlord from available insurance proceeds.

**B. Tenant' s Obligations:**

Subject to Section 7.A. above, Tenant shall clean, maintain, repair and replace when necessary the Building and every part thereof through regular inspections and servicing, including but not limited to the following, to the extent Landlord does not elect to maintain the same as Reimbursable Operating Costs (as defined in Section 8.D below): (i) all plumbing and sewage facilities, (ii) all heating ventilating and air conditioning facilities and equipment, (iii) all fixtures, interior walls, floors, carpets and ceilings, (iv) all windows, door entrances, plate glass and glazing systems including caulking, and skylights, (v) all electrical facilities and equipment, (vi) all automatic fire extinguisher equipment, (vii) the parking lot and all underground utility facilities servicing the Premises, (viii) all elevator equipment, (ix) the roof membrane, and (x) all waterscape, landscaping and shrubbery. All wall surfaces and floor tile are to be maintained in an as good a condition as when Tenant took possession free of holes, gouges, or defacements. With respect to items (ii), (viii) and (ix) above, Tenant shall provide Landlord a copy of a service contract between Tenant and a licensed service contractor providing for periodic maintenance of all such systems or equipment in conformance with the manufacturer' s recommendations. Tenant shall provide Landlord a copy of such preventive maintenance contracts and paid invoices for the recommended work if requested by Landlord. To the extent that any item in (i) through (x) above is determined by Landlord to be for the benefit of more than one (1) tenant or occupant of the Building or Project, Landlord shall assume the obligation to clean, maintain, repair and replace the same as Reimbursable Operating Costs (as defined in Section 8.D below) and Tenant shall have no obligation to clean, maintain, repair or replace such item.

**C. Obligations Regarding Reimbursable Operating Costs:**

In addition to the direct payment by Tenant of expenses as provided in Section 8.B, 9, 10 and 11 of this Lease, Tenant agrees to reimburse Landlord for Tenant' s Allocable Share (as defined in Section 8.E below) of Reimbursable Operating Costs (as defined in Section 8.D below) resulting from Landlord payment of expenses related to the Building or Project which are not otherwise paid by Tenant directly. Landlord shall have the right to periodically provide Tenant with a written estimate of Reimbursable Operating Costs for the next twelve (12) months and Tenant shall thereafter, until Landlord revises such estimate, pay to Landlord as additional rental, along with its Base Monthly Rent, one twelfth of Tenant' s Allocable Share of the Reimbursable Operating Costs as estimated by Landlord. Within ninety (90) days after the end of each calendar year during the Lease Term Landlord shall deliver to Tenant a statement ("**Annual Statement**") in which Landlord shall set forth the actual expenditures for Reimbursable Operating Costs for such calendar year and Tenant' s Allocable Share thereof. The Annual Statement shall be certified by an authorized officer of Landlord to be correct. If the Annual Statement shows that Tenant' s payments of estimated Reimbursable Operating Costs exceeded Tenant' s actual obligation in respect of such calendar year, Landlord shall accompany said Annual Statement with a payment to Tenant of the amount of such excess. If the Annual Statement shows that Tenant' s payments of estimated Reimbursable Operating Costs were less than its actual obligation in respect of such calendar year, Tenant shall pay said difference to Landlord within ten (10) days after Tenant' s receipt of the Annual Statement.

If Tenant disputes the amount off characterization of any item contained in the Annual Statement then Tenant shall give written notice thereof to Landlord not later than ninety (90) days after the Annual Statement is delivered to Tenant. Tenant shall then have the right to cause Landlord' s records upon which the Annual Statement is based to be audited by an independent

nationally recognized certified public accounting firm at Tenant' s sole cost. In no event shall the fee for any audit be computed on a contingency fee basis or be otherwise dependent upon the findings of such audit. If Landlord requests a copy of the contract pursuant to which Tenant hires such auditor, such contract shall be delivered to Landlord prior to the start of any such audit. Tenant shall not have any right to withhold any payment pending resolution of such dispute or audit, and payment by Tenant of any sum or sums in dispute shall not be deemed to be a waiver of Tenant' s right to audit or contest the Annual Statement in accordance with the terms and conditions of this Lease. Landlord shall cooperate with such audit and shall provide Landlord' s books and records reasonably requested and relative to the audit which shall be conducted during regular business hours at the office where Landlord maintains its books and records, at no cost to Landlord. If after such audit parties do not agree on the audit findings then the dispute shall be settled by arbitration pursuant to Section 19.E below. If, as a result of Tenant' s inspection of Landlord' s books or the findings of the third party independent audit of Landlord' s records and review, an error is discovered in the Annual Statement, Landlord shall revise the Annual Statement accordingly and any overpayment by Tenant shall be refunded by Landlord to Tenant not later than thirty (30) days after receipt by Landlord of written demand for payment, and any underpayment shall be paid by Tenant not later than thirty (30) days after receipt by Tenant of written demand for payment. If Tenant does not notify Landlord of a dispute within ninety (90) days after receipt of any Annual Statement, Tenant shall be deemed to have accepted such Annual Statement and waived its right to dispute the Annual Statement or conduct an audit with respect to the Annual Statement. Landlord' s records and any information provided by Landlord to auditors pursuant to this Section, and the results of any such audit, shall be kept confidential by Tenant and its auditors, and shall not be made available by the auditors or Tenant to any other person or entity except to Tenant' s parent or affiliates and outside legal and financial representatives and except in any dispute resolution proceeding between the parties relating to such audit. If requested by Landlord, Tenant and its auditor shall, prior to any such audit, execute and deliver to Landlord a confidentiality agreement prepared by Landlord, reasonably acceptable to Tenant.

**D. Reimbursable Operating Costs:**

For purposes of calculating Tenant' s Allocable Share of Building and Project costs, the term "Reimbursable Operating Costs" is defined as all costs and expenses which are incurred by Landlord in connection with ownership and operation of the Building or the Project in which the Premises are located, together with such additional facilities as may be determined by Landlord to be reasonably desirable or necessary to the ownership and operation of the Building and/or Project. All costs and expenses shall be determined in accordance with generally accepted accounting principles which shall be consistently applied (with accruals appropriate to Landlord' s business). Reimbursable Operating Costs shall include, but not be limited to, the following to the extent the obligation therefor is not that of Tenant under the provisions of Section 8.B above: (i) common area utilities, including water, power, telephone, heating, lighting, air conditioning, ventilating, and Building utilities to the extent not separately metered; (ii) common area maintenance and service agreements for the Building and/or Project and the equipment therein, including without limitation, common area janitorial services, alarm and security services, exterior window cleaning, and maintenance of the sidewalks, landscaping, waterscape, roof membrane, parking areas, driveways, service areas, mechanical rooms, elevators, and the building exterior; (iii) insurance premiums and costs, including without

limitation, the premiums and cost of fire, casualty and liability coverage and rental abatement and, if elected by Landlord, earthquake insurance applicable to the Building or Project; (iv) repairs, replacements and general maintenance (excluding repairs and general maintenance paid by proceeds of insurance or by Tenant or other third parties other than as Reimbursable Operating Costs, and repairs or alterations attributable solely to tenants of the Building or Project other than Tenant); (v) all real estate taxes and assessment installments or other impositions or charges which may be levied on the Building or Project, upon the occupancy of the Building or Project and including any substitute or additional charges which may be imposed during, or applicable to the Lease Term including real estate tax increases due to a sale, transfer or other change of ownership of the Budding or Project, as such taxes are levied or appear on the City and County tax bills and assessment rolls; (vi) costs of complying with Sustainability Requirements; (vii) deductibles under insurance policies; (viii) except for those obligations of Landlord set forth in Section 7.C. above, capital expenditures, which shall be amortized over their useful lives as reasonably determined by Landlord, together with interest on the unpaid portion of such expenditure at the Agreed Interest Rate; and (ix) any of items (i) through (x) in Section 8.B above to the extent Landlord has elected to assume with respect thereto the obligations for cleaning, maintenance, repair and/or replacement. Landlord shall have no obligation to provide guard services or other security measures for the benefit of the Project. Tenant assumes all responsibility for the protection of Tenant and Tenant' s Agents from acts of third parties; provided, however, that nothing contained herein shall prevent Landlord, at its sole option, from providing security measures for the Project. This is a "Net" Lease, meaning that Base Monthly Rent is paid to Landlord absolutely net of all costs and expenses, except only those costs which this Lease expressly states shall be paid by Landlord at Landlord' s sole cost. The provision for payment of Reimbursable Operating Costs by means of monthly payment of Tenant' s Allocable Share of Building and/or Project Costs is intended to pass on to Tenant and reimburse Landlord for all costs of operating and managing the Building and/or Project, other than those costs which this Lease expressly states shall be paid by Landlord at Landlord' s sole cost. If less than one hundred percent (100%) of the Building and other Project buildings is leased at any time during the Lease Term, Landlord shall adjust Reimbursable Operating Costs to equal Landlord' s reasonable estimate of what Reimbursable Operating Costs would be had one hundred percent (100%) of the Building and the other Project buildings been leased.

Notwithstanding anything to the contrary contained in this Lease, the following shall not be included within Reimbursable Operating Costs:

(i) Leasing commissions, attorneys' fees, costs, disbursements, and other expenses incurred in connection with negotiations or disputes with tenants, or in connection with leasing, renovating, or improving space for tenants or other occupants or prospective tenants or other occupants of the Project.

(ii) The cost of any service sold to any tenant (including Tenant) or other occupant for which Landlord is entitled to be reimbursed as an additional charge or rental over and above the basic rent and escalations payable under the lease with that tenant.

(iii) Any depreciation on the Building Premises or Project.

(iv) Expenses in connection with services or other benefits of a type that are not provided to Tenant but which arc provided another tenant or occupant of the Project

(v) Costs incurred due to Landlord' s violation of any terms or conditions of this Lease or any other lease relating to the Project.

(vi) Overhead profit increments paid to Landlord' s subsidiaries or affiliates for management or other services on or to the building or for supplies or other materials to the extent that the services, supplies, or materials exceeds the cost that would have been paid had the services, supplies, or materials been provided by unaffiliated parties on a competitive basis.

(vii) All interest, loan fees, and other carrying costs related to any mortgage or deed of trust or related to loans for any capital item, and all rental and other payments under any ground or underlying lease as to which Landlord is the tenant;

(viii) Any compensation paid to clerks, attendants, or other persons in commercial concessions operated by Landlord.

(ix) Advertising and promotional expenditures.

(x) Any costs, fines, or penalties incurred due to violations by Landlord of any governmental rule or authority, this Lease or any other lease in the Project, or due to Landlord' s negligence or willful misconduct.

(xi) Management costs to the extent they exceed 3% of Base Monthly Rent.

(xii) Costs for sculpture, paintings, or other objects of art.

(xiii) Wages, salaries, or other compensation paid to any executive employees above the grade of building manager.

(xiv) The cost of correcting any building code or other violations which were violations prior to the Commencement Date.

(xv) The cost of containing, removing, or otherwise remediating any contamination of the Project (including the underlying land and ground wafer) by any toxic or hazardous materials (including, without limitation, asbestos and "**PCB' s**").

Exclusion of costs from Reimbursable Operating Costs shall not be construed to release Tenant from the obligation to pay for such costs other than as Reimbursable Operating Costs as expressly provided elsewhere in this Agreement (including but not limited to Tenant' s obligations relating to Hazardous Materials pursuant to Article 12 below).

**E. Tenant' s Allocable Share:**

For purposes of prorating Reimbursable Operating Costs which Tenant shall pay, Tenant' s Allocable Share of Reimbursable Operating Costs shall be computed by multiplying the Reimbursable Operating Costs by a fraction, the numerator of which is the rentable square footage of the Premises and the denominator of which is either (i) the total rentable square footage of the Building if the service or cost is allocable only to the Building, or (ii) the total rentable square footage of the buildings in the Project if the service or cost is allocable to the entire Project, or (iii) the total rentable square footage of the premises of those tenants or occupants that Landlord reasonably determines to be benefiting from such service or facility. Tenant' s Allocable Share of Reimbursable Operating Costs pursuant to clause (ii) above as of the Effective Date is one hundred percent (100%). Tenant' s obligation to share in Reimbursable Operating Costs shall be adjusted to reflect the Lease Commencement and Expiration Dates and is subject to recalculation in the event of expansion or contraction of the rentable square footage of the Building or Project.

**F. Waiver of Liability:**

Failure by Landlord to perform any defined services, or any cessation thereof, when such failure is caused by accident, breakage, repairs, strikes, lockout or other labor disturbances or labor disputes of any character or by any other cause, similar or dissimilar, shall not render Landlord liable to Tenant in any respect, including damages to either person or property, nor be construed as an eviction of Tenant, nor cause an abatement of rent, nor relieve Tenant from fulfillment of any covenant or agreement hereof. Should any equipment or machinery utilized in supplying the services listed herein break down or for any cause cease to function properly, upon receipt of written notice from Tenant of any deficiency or failure of any services, Landlord shall use reasonable diligence to repair the same promptly, but Tenant shall have no right to terminate this Lease and shall have no claim for rebate of rent or damages on account of any interruptions in service occasioned hereby or resulting therefrom. Tenant waives the provisions of California Civil Code Sections 1941 and 1942 concerning the Landlord' s obligation of tenantability and Tenant' s right to make repairs and deduct the cost of such repairs from the rent, and any similar Law now or hereafter in effect. Landlord shall not be liable for a loss of or injury to person or property, however occurring, through or in connection with or incidental to furnishing, or its failure to furnish, any of the foregoing.

**9. INSURANCE:**

**A. Tenant' s Use:**

Tenant shall not use or permit the Premises, or any part thereof, to be used for any purpose other than that for which the Premises are hereby leased; and no use of the Premises shall be made or permitted, nor acts done, which will cause an increase in premiums or a cancellation of any insurance policy covering the Premises or any part thereof, nor shall Tenant sell or permit to be sold, kept, or used in or about the Premises, any article prohibited by the standard form of fire insurance policies. Tenant shall, at its sole cost, comply with all requirements of any insurance company or organization necessary for the maintenance of reasonable fire and public liability insurance covering the Premises and appurtenances.

**B. Landlord' s Insurance:**

Landlord agrees to purchase and keep in force All Risk and fire insurance in an amount equal to the replacement cost of the Building excluding any Tenant Improvements not typically required for office uses ("**Specialized Tenant Improvements**") or Alterations as determined by Landlord' s insurance company' s appraisers. In addition, Landlord may elect to purchase insurance coverage for perils including earthquake, flood and/or terrorist acts, in amounts and with deductibles reasonably determined by Landlord. Landlord may also maintain a policy of (i) commercial general liability insurance insuring Landlord (and such others designated by Landlord) against liability for personal injury, bodily injury, death and damage to property occurring or resulting from an occurrence in, on or about the Premises or Project in an amount as Landlord determines is reasonably necessary for its protection, and (ii) rental loss insurance covering a twelve (12) month period. Tenant agrees to pay Landlord as additional rent, within ten (10) days after written invoice to Tenant, Tenant' s Allocable Share of the amount of any deductible under such policy, provided that if damage is confined to the Premises, Tenant shall pay the entire deductible to Landlord. It is understood and agreed that Tenant' s obligation under this Section 9.B will be prorated to reflect the Commencement Date and Expiration Date.

**C. Tenant' s Insurance:**

Tenant agrees, at its sole cost, to insure its personal property, trade fixtures, Specialized Tenant improvements and Alterations against damage for their full replacement value (without depreciation). Said insurance shall provide All Risk and fire coverage equal to the replacement cost of said property. The property insurance provided by Tenant as required by this paragraph shall be carried in favor of Landlord and Tenant as their respective interests may appear and shall provide that any loss to Alterations shall be adjusted with and be payable to both Landlord and Tenant. Tenant shall deliver a copy of the policy and renewal certificate to Landlord. Tenant agrees, at its sole cost, to obtain and maintain throughout the Lease Term Commercial General Liability insurance for occurrences within the Project with a combined single limit of not less than Five Million Dollars ($5,000,000.00) and worker' s compensation insurance with a combined single limit of Five Million Dollars ($5,000,000.00). Tenant' s liability insurance shall be primary insurance containing a cross-liability endorsement, and shall provide coverage on an "occurrence" rather than on a "claims made" basis. All such insurance shall provide for severability of interests; shall provide that an act or omission of one of the named or additional insureds shall not reduce or avoid coverage to the other named or additional insureds. Tenant shall name Landlord and Landlord' s lenders as additional insureds on its liability policies and as loss payees on its property insurance, and shall deliver a copy of the policies and renewal certificates to Landlord. All insurance policies required under this Section 9.C shall provide for thirty (30) days' prior written notice to Landlord of any cancellation, termination, or reduction in coverage. Notwithstanding the above, Landlord retains the right to have Tenant provide other forms of insurance which may be reasonably required to cover future risks.

**D. Waiver:**

Landlord and Tenant hereby waive all tort, contract or other rights each may have against the other on account of any loss or damage sustained by Landlord or Tenant, as the case may be, or to the Premises or its contents, which may arise from any risk covered by their respective insurance policies (or which would have been covered had such insurance policies been maintained in accordance with this Lease) as set forth above; provided that such waiver shall be effective only to the extent permitted by the insurance covering such loss. The Parties shall each obtain from their respective insurance companies a waiver of any right of subrogation which said insurance company may have against Landlord or Tenant, as the case may be.

**10. TAXES:**

Tenant shall be liable for and shall pay as additional rent, prior to delinquency, all taxes and assessments levied against Tenant' s personal property and trade or business fixtures. All real estate taxes shall be prorated to reflect the Commencement Date and Expiration Date. If, at any time during the Lease Term a tax, excise on rents, business license tax or any other tax, however described, is levied or assessed against Landlord as a substitute or addition, in whole or in part, for taxes assessed or imposed on land or buildings, Tenant shall pay and discharge its pro rata share of such tax or excise on rents or other tax before it becomes delinquent; except that this provision is not intended to cover net income taxes, inheritance, gift or estate tax imposed upon Landlord. In the event that a tax is placed, levied, or assessed against Landlord and the taxing authority takes the position that Tenant cannot pay and discharge its pro rata share of such tax on behalf of Landlord, then at Landlord' s sole election, Landlord may increase the Base Monthly Rent by the exact amount of such tax and Tenant shall pay such increase. If by virtue of any application or proceeding brought by Landlord, there results a reduction in the assessed value of the Premises during the Lease Term, Tenant agrees to pay Landlord a fee consistent with the fees charged by a third party appeal firm for such services.

**11. UTILITIES:**

Tenant shall arrange for and pay directly to the providing utility all water, gas, electric, telephone, and other utilities supplied to the Premises. Landlord shall not be liable for loss of or injury to person or property, however occurring, through or in connection with or incidental to furnishing or the utility company' s failure to furnish utilities to the Premises or any other portion of the Project, and in such event Tenant shall not be entitled to abatement or reduction of any portion of Base Monthly Rent or any other amount payable under this Lease and the continued effectiveness of this Lease shall not be affected thereby. Tenant acknowledges that the Premises, the Building and/or the Project may become subject to the rationing of utility services or restrictions on utility use as required by a public utility company, governmental agency or other similar entity having jurisdiction thereof. Tenant acknowledges and agrees that its tenancy and occupancy hereunder shall be subject to such rationing or restrictions as may be imposed upon Landlord, Tenant, the Premises, the Building and/or the Project, and Tenant shall in no event be excused or relieved from any covenant or obligation to be kept or performed by Tenant by reason of any such rationing or restrictions.

**12. TOXIC WASTE AND ENVIRONMENTAL DAMAGE:**

**A. Landlord' s Representation and Indemnity:**

Landlord represents and warrants to Tenant that it has no actual knowledge that any portion of the Project currently contains any Hazardous Materials in violation of applicable Laws. As used in this Lease, Landlord' s actual knowledge or other phrases relating to the knowledge of Landlord mean and are limited to facts which are actually known (as opposed to imputed, inquiry or constructive knowledge) to John Michael Sobrato, without any duty to investigate or inquire. Landlord agrees to indemnify and hold Harmless Tenant and Tenant' s directors, officers and partners against all out of pocket costs incurred by the indemnified parties in responding to or complying with any order issued against the indemnified parties by any governmental authority having jurisdiction as the result of any Hazardous Materials brought onto the Project by Landlord, which obligation shall survive the termination of this Lease.

**B. Use of Hazardous Materials:**

Without the prior written consent of Landlord, neither Tenant, nor any subtenant of the Premises (of any tier in the chain of title) or any of Tenant' s or such subtenant' s agents, employees, representatives, affiliates, architects, contractors (including without limitation subcontractors of all tiers), suppliers, vendors, subtenants, licensees or invitees (collectively "**Tenant' s Agents**"), shall cause or permit any Hazardous Materials, as defined below, to be generated, brought onto, used, stored, created, released or disposed of in or about the Premises or Project, except that Tenant may use and store small quantities of common household cleaners and office supplies on the Premises provided such use and storage is in strict compliance with all Environmental Laws, as defined below. As used herein, the term "Hazardous Materials" shall mean any and all substances, materials or wastes (whether liquid, solid or gaseous), which are a pollutant or contaminant, or which are hazardous, toxic, ignitable, reactive, corrosive, dangerous, harmful or injurious, or which present a risk to public health or the environment, or which are or may become regulated by or under the authority of any Environmental Laws, as defined below, including, without limitation, asbestos or asbestos containing materials, petroleum products, pesticides, polychlorinated biphenyls, flammable explosives, radioactive materials and urea formaldehyde. As used herein, the term "Environmental Laws" shall mean any present or future federal, state or local Laws, whether common law, statute, rule, regulation or ordinance, judgment, order, or other governmental restriction, guideline, listing or requirement, relating to the environment or any Hazardous Materials, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., and applicable provisions of the California Health and Safety Code and the California Water Code, all as heretofore or hereafter may be amended from time to time. In order to obtain consent, Tenant shall deliver to Landlord its written proposal describing the Hazardous Materials to be brought onto the Premises, measures to be taken for storage and disposal thereof, and safety measures to be employed to prevent pollution or contamination of the air, soil, surface and ground water. Landlord' s approval may be withheld in its reasonable judgment. Without diminishing Tenant' s obligation to obtain Landlord' s consent to Tenant' s use of Hazardous Materials on the Premises where this Lease requires such consent, Tenant represents and warrants that it shall comply with all Governmental Regulations applicable to Hazardous Materials including doing the following: (i) adhere to all reporting and inspection requirements imposed by Federal, State, County or Municipal Laws and provide Landlord a copy of any such reports or agency inspections; (ii)

obtain and provide Landlord copies of all necessary permits required for the use and handling of Hazardous Materials on the Premises; (iii) enforce Hazardous Materials handling and disposal practices consistent with industry standards; (iv) surrender the Premises and Project free from any and all Hazardous Materials generated, brought, used, stored, created, released, or disposed of by Tenant or Tenant' s Agents, or by anyone else (other than Landlord or Landlord' s agents, employees or contractors) coming onto the Premises during the Lease Term; and (v) properly close the facility with regard to Hazardous Materials for which Tenant is otherwise responsible pursuant to the terms of this Lease including the removal or decontamination of any process piping, mechanical ducting, storage tanks, containers, or trenches which have come into contact with Hazardous Materials and obtaining a closure certificate from the local administering agency prior to the Expiration Date or sooner termination of this Lease.

**C. Tenant' s Indemnity Regarding Hazardous Materials:**

Tenant shall, at its Sole cost and expense and with counsel reasonably acceptable to Landlord, indemnify, defend and hold harmless Landlord and the Related Parties from and against any and all claims, liabilities, obligations, penalties, fines, actions, losses, damages, costs or expenses (including without limitation reasonable attorneys fees) incurred or suffered arising from generating, bringing, using, storing, creating, releasing or disposing of Hazardous Materials in or about the Premises or Project by Tenant or Tenant' s Agents, or by anyone else coming onto the Premises during the Lease Term (other than Landlord or Landlord' s agents, employees and contractors), or the violation of any Governmental Regulation or Environmental Laws by Tenant or Tenant' s Agents, or by anyone else coming onto the Premises during the Lease Term (other than Landlord or Landlord' s agents, employees or contractors). This indemnification, defense and hold harmless obligation applies whether or not the concentrations of any such Hazardous Materials exceed applicable maximum contaminant or action levels or any governmental agency has issued a cleanup order. Tenant' s indemnification, defense, and hold harmless obligations include, without limitation, the following: (i) claims, liabilities, costs or expenses resulting from or based upon administrative, judicial (civil or criminal) or other action, legal or equitable, brought by any private or public person under present or future Laws, including Environmental Laws; (ii) claims, liabilities, costs or expenses pertaining to the assessment and identification, monitoring, cleanup, containment, or removal of Hazardous Materials from soils, riverbeds or aquifers including the provision of an alternative public drinking water source; (iii) losses attributable to diminution in the value of the Premises, Building or Project (iv) loss or restriction of use of rentable space in the Building or Project; (v) adverse effect on the marketing of any space in the Building or Project; and (vi) all other liabilities, obligations, penalties, fines, claims, actions (including remedial or enforcement actions of any kind and administrative or judicial proceedings, orders or judgments), damages (including consequential and punitive damages), and costs (including attorney, consultant, and expert fees and expenses) resulting from the release or violation. This Section 12.C shall survive the expiration or termination of this Lease.

**D. Notice of Release or Violation:**

If, during the Lease Term (including any extensions), Tenant becomes aware of (i) any actual or threatened release of any Hazardous Materials on, under or about the Premises or Project or (ii) any inquiry, investigation, proceeding, claim, notice or order by any private or public person or entity regarding the presence of Hazardous Materials on, under or about the Premises or Project, including without limitation alleged violations of Environmental Laws by Tenant or Tenant' s Agents, Tenant shall give Landlord written notice of the release or investigation within five (5) days after learning of it and shall simultaneously and thereafter furnish Landlord with copies of any claims, notices of violation, reports, or other writings received by Tenant concerning the release or investigation. In the event of an actual release of Hazardous Materials, Tenant shall also give Landlord immediate verbal notice of such release. In the event of any release on or into the Premises or any portion of the Project or into the soil or ground water under the Premises, the Building or the Project of any Hazardous Materials used, treated, stored or disposed of by Tenant or Tenant' s Agents, or by anyone else (other than Landlord or Landlord' s agents, employees or contractors) coming onto the Premises during the Lease Term, Tenant agrees to comply, at its sole cost, with all laws, regulations, ordinances and orders of any federal, state or local agency relating to the monitoring or remediation of such Hazardous Materials. In the event of any release of Hazardous Materials Tenant shall immediately give verbal and follow-up written notice of the release to Landlord, and Tenant agrees to meet and confer with Landlord and any lender designated by Landlord to attempt to eliminate and mitigate any financial exposure to such lender and resultant exposure to Landlord under California Code of Civil Procedure Section 736(b) as a result of such release, and promptly to take reasonable monitoring, cleanup and remedial steps given, inter alia, the historical uses to which the Project has and continues to be used, the risks to public health posed by the release, the then available technology and the costs of remediation, cleanup and monitoring, consistent with acceptable customary practices for the type and severity of such contamination and all applicable Laws. Nothing in the preceding sentence shall eliminate, modify or reduce the obligation of Tenant under Section 12.C of this Lease to indemnify, defend and hold Landlord and the Landlord Related Parties harmless. Tenant shall provide Landlord prompt written notice of Tenant' s monitoring, cleanup and remedial steps. In the absence of an order of any federal, state or local governmental or quasi-governmental agency relating to the cleanup, remediation or other response action required by applicable law, any dispute arising between Landlord and Tenant concerning Tenant' s obligation to Landlord under this Section 12.D concerning the level, method, and manner of cleanup, remediation or response action required in connection with such a release of Hazardous Materials shall be resolved by mediation and/or arbitration pursuant to this Lease.

**E. Remediation Obligations:**

In the event of any release on, under or about the Premises or the Project of any Hazardous Materials generated, brought onto, used, stored, created or disposed of by Tenant or Tenant' s Agents, or by anyone else (other than Landlord or Landlord' s agents, employees or contractors) coming onto the Premises during the Lease Term, Tenant shall, at its sole cost, promptly take all necessary and appropriate actions, in compliance with applicable Environmental Laws, to remove or remediate such Hazardous Materials, whether or not any governmental agency has issued a cleanup order, so as to return the Premises and Project to the condition that existed before the introduction of such Hazardous Materials. Tenant shall obtain Landlord' s written consent prior to implementing any proposed removal or remedial action, provided, however, that Tenant shall be entitled to respond immediately to an emergency without first obtaining Landlord' s written consent. Nothing in the preceding sentence shall in any way eliminate, modify or reduce the obligation of Tenant under 13.B of this Lease to indemnify, defend and hold Landlord and the Landlord Related Parties harmless.

**F. Environmental Monitoring:**

Landlord and its agents and consultants shall have the right to inspect, investigate, sample and monitor the Premises, including any air, soil, water, ground water, or to conduct any other sampling or testing, digging, drilling or analysis, to determine whether Tenant is complying with the terms of this Section 12. If Landlord discovers that Tenant is not in compliance with the terms of this Section 12, any reasonable costs incurred by Landlord in determining Tenant' s non compliance, including attorneys' , consultants' and experts' fees, shall be due and payable by Tenant to Landlord within five (5) days following Landlord' s written demand therefor.

**13. TENANT' S DEFAULT:**

**A. Events of Default:**

The occurrence of any of the following shall constitute a material default and breach of this Lease by Tenant: (i) Tenant' s failure to pay the Base Monthly Rent or any other payment due under this Lease (including additional rent) by the date such amount is due, excepting the first failure to pay in any twelve (12) month period provided such first failure is cured within three (3) business days after receipt of written notice, (ii) the abandonment of the Premises by Tenant; (iii) Tenant' s making of any general assignment for the benefit of creditors; (iv) the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within thirty (30) days after the filing); (v) the appointment of a trustee or receiver to take possession of substantially all of Tenant' s assets located at the Premises or of Tenant' s interest in this Lease, where possession is not restored to Tenant within thirty (30) days; (vi) the attachment, execution or other judicial seizure of substantially all of Tenant' s assets located at the Premises or of Tenant' s interest in this Lease, where such seizure is not discharged within thirty (30) days; or (vii) Tenant' s failure to observe and perform any other required provision of this Lease, or the occurrence of any other event described as a default elsewhere in this Lease or any amendment thereto regardless of whether such event is defined as a material default and breach of this Lease in this Section 13, where such failure or default continues for thirty (30) days after written notice from Landlord (provided, however, that except as provided in this sentence below if the nature of the failure or default is such that it cannot reasonably be cured within such thirty (30) day period, Tenant shall not be deemed in default if it Commences within such period to cure, and thereafter diligently prosecutes the same to completion not later than sixty (60) days after such written notice is delivered to Tenant), except in all cases however that if this Lease expressly provides that no notice or cure is required for a breach or default to exist then the notice and cure periods described in this item (vii) shall apply.

**B. Remedies:**

In the event of any default by Tenant, then in addition to other remedies available to Landlord at law or in equity, Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder by giving written notice of such intention to terminate. In the event Landlord elects to so terminate this Lease, Landlord may recover from Tenant all the following: (i) the worth at time of award of any unpaid rent which had been earned at the time of such termination; (ii) the worth at time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss for the same period that Tenant proves could have been reasonably avoided; (iii) the worth at time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; (iv) any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant' s failure to perform its obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom; including the following: (x) expenses for repairing, altering or remodeling the Premises for purposes of reletting, (y) broker' s fees, advertising costs or other expenses of reletting the Premises, and (z) costs of carrying the Premises such as taxes, insurance premiums, utilities and security precautions; and (v) at Landlord' s election, such other amounts in addition to or in lieu of the foregoing as may be permitted by applicable California law. The term "rent", as used in this Lease, is defined as the minimum monthly installments of Base Monthly Rent and all other sums required to be paid by Tenant pursuant to this Lease, all such other sums being deemed as additional rent due hereunder. As used in (i) and (ii) above, "worth at the time of award" shall be computed by allowing interest at a rate equal to the greater of the following (the "**Agreed Interest Rate**") (i) the discount rate of the Federal Reserve Bank of San Francisco plus five (5%) percent per annum, as of the twenty-fifty (25th) day of the month immediately preceding Tenant' s default, on advances to member banks under Section 13 and 13(a) of the Federal Reserve Act, as now in effect or hereafter from time to time amended, or (ii) ten percent (10%) per annum. As used in (iii) above, "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one (1%) percent. Furthermore, in the event of a default as described in clause (iii), (iv), (v) or (vi) in Section 13.A above, Landlord reserves the right to compensation for all damages and costs incurred by Landlord as a result of Tenant' s default, including without limitation those based upon a tort claim or contractual claim, and without any cap other than that imposed by the United States Bankruptcy Code (as amended, and as interpreted by case law, the "Code") with respect to rent, as defined in the Code. Tenant hereby waives the protection of any limitation in the Code imposed upon such damages to the extent such waiver is enforceable under the Code, and Tenant hereby agrees that the Security Deposit may be retained by Landlord for purposes of compensation for any and all tort or contractual or other claims by Landlord against Tenant. Any obligation Landlord may have to mitigate damages upon a termination due to Tenant' s default shall not include the obligation to relet the Premises if Landlord has other comparable available space within the Building or Project.

**C. Right to Re-enter:**

In the event of any such default by Tenant, Landlord shall have the right, after terminating this Lease, to re-enter the Premises and remove all persons and property in accordance with applicable law. Such property may be removed and stored in a public warehouse or elsewhere at the cost of and for the account of Tenant, disposed of by Landlord, in any manner permitted by law.

**D. Continuation of Lease:**

If Landlord does not elect to terminate this Lease as provided in Section 13.B above, then the provisions of California Civil Code Section 1951.4, (Landlord may continue the Lease in effect after Tenant' s breach and abandonment and recover rent as it becomes due if Tenant has a right to sublet and assign, subject only to reasonable limitations) as amended from time to time, shall apply, this Lease shall continue in effect, and Landlord may enforce all of its rights and remedies under this Lease, including without limitation the right to recover payment of rent as it becomes due.

**E. No Termination:**

Neither efforts by Landlord to mitigate damages caused by a breach or default of Tenant, nor acts of maintenance or preservation or efforts to relet the Premises shall constitute an election by Landlord to terminate the Lease or a termination of Tenant' s right to possession of the Premises.

**F. Non-Waiver:**

Landlord may accept Tenant' s payments without waiving any rights under this Lease, including rights under a previously served notice of default. No payment by Tenant or receipt by Landlord of a lesser amount than any installment of rent due shall be deemed as other than payment on account of the amount due. If Landlord accepts payments after serving a notice of default, Landlord may nevertheless commence and pursue an action to enforce rights and remedies under the previously served notice of default without giving Tenant any further notice or demand. Furthermore, the Landlord' s acceptance of rent from the Tenant when the Tenant is holding over without express written consent does not convert Tenant' s tenancy from a tenancy at sufferance to a month to month tenancy. No waiver of any provision of this Lease shall be implied by any failure of Landlord to enforce any remedy for the violation of that provision, even if that violation continues or is repeated. Any waiver by Landlord of any provision of this Lease must be in writing. Such waiver shall affect only the provision specified and only for the time and in the manner stated in the writing. No delay or omission in the exercise of any right or remedy by Landlord shall impair such right or remedy or be construed as a waiver thereof by Landlord. No act or conduct of Landlord, including, without limitation, the acceptance of keys to the Premises, shall constitute acceptance of the surrender of the Premises by Tenant before the Expiration Date. Only written notice from Landlord to Tenant of acceptance shall constitute such acceptance of surrender of the Premises. Landlord' s consent to or approval of any act by Tenant which requires Landlord' s consent or approvals shall not be deemed to waive or render unnecessary Landlord' s consent to or approval of any subsequent act by Tenant. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Landlord, terminate all or any existing subleases or subtenants, or may, at the option of Landlord, operate as an assignment to Landlord of any or all such subleases or subtenants.

**G. Performance by Landlord:**

If Tenant fails to perform any obligation required under this Lease or by Laws, Landlord in its sole and absolute discretion may, without notice, without waiving any rights or remedies and without releasing Tenant from its obligations hereunder, perform such obligation, in which event Tenant shall pay Landlord as additional rent all sums paid by Landlord in connection with such substitute performance, including interest at the Agreed Interest Rate within ten (10) days of Landlord' s written notice for such payment.

**H. Habitual Default:**

The provisions of Section 13 notwithstanding, the Parties agree that if Tenant shall have defaulted in the performance of any (but not necessarily the same) term or condition of this Lease for three (3) or more times during any twelve (12) month period during the Lease Term, and Landlord has delivered a notice of default for three (3) of such defaults in any twelve (12) month period, then such conduct shall, at the election of the Landlord, represent a separate event of default which cannot be cured by Tenant. Tenant acknowledges that the purpose of this provision is to prevent repetitive defaults by Tenant, which work a hardship upon Landlord and deprive Landlord of Tenant' s timely performance under this Lease.

**14. LANDLORD' S LIABILITY:**

**A. Limitation on Landlord' s Liability:**

In the event of Landlord' s failure to perform any of its covenants or agreements under this Lease, Tenant shall give Landlord written notice of such failure and shall give Landlord thirty (30) days to cure or commence to cure such failure prior to any claim for breach or resultant damages, provided, however, that if the nature of the default is such that it cannot reasonably be cured within the 30-day period, Landlord shall not be deemed in default if it commences within such period to cure, and thereafter diligently prosecutes the same to completion. In addition, upon any such failure by Landlord, Tenant shall give notice by registered or certified mail to any person or entity with a security interest in the Premises ("**Mortgagee**") that has provided Tenant with notice of its interest in the Premises, and shall provide Mortgagee a reasonable opportunity to cure such failure, including such time to obtain possession of the Premises by power of sale or judicial foreclosure, if such should prove necessary to effectuate a cure. Tenant agrees that each of the Mortgagees to whom this Lease has been assigned is an express third-party beneficiary hereof. Tenant waives any right under California Civil Code Section 1950.7 or any other present or future law to the collection of any payment or deposit from Mortgagee or any purchaser at a foreclosure sale of Mortgagee' s interest unless Mortgagee or such purchaser shall have actually received and not refunded the applicable payment or deposit. Tenant further waives any right to terminate this Lease and to vacate the Premises on Landlord' s default under this Lease. Tenant' s sole remedy on Landlord' s default is an action for damages or injunctive or declaratory relief; provided, however, Landlord and the Landlord Related Parties shall not be liable to Tenant for any consequential damages suffered or incurred by Tenant on account of Landlord' s default including, without limitation, on account of lost profits or the interruption of Tenant' s business. Tenant hereby agrees that Landlord shall not be liable for injury to Tenant' s business or any loss of income therefrom or for damage to the goods, wares, merchandise, or other property of Tenant, Tenant' s employees, invitees, customers, or any other person in or about the Premises or the Project, nor shall Landlord be liable for injury to the person of Tenant, Tenant' s employees, agents, contractors, or any other person in or about the Premises or Project, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water, or rain, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising upon the Premises or upon other portions of the Project or from other sources or places and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant, occupant, or user of the Project, nor from fee failure of Landlord to enforce the provisions of any other lease of the Project.

**B. Limitation on Tenant' s Recourse:**

If Landlord is a corporation, trust, partnership, joint venture, unincorporated association or other form of business entity, then the obligations of Landlord shall not constitute personal obligations of the Landlord Related Parties. Tenant shall have recourse only to the interest of Landlord in the Premises and the proceeds thereof for the satisfaction of the obligations of Landlord and shall not have recourse to any other assets of Landlord for the satisfaction of such obligations.

**C. Indemnification of Landlord:**

As a material part of the consideration rendered to Landlord, Tenant hereby waives all claims against Landlord for damages to goods, wares and merchandise, and all other personal property in, upon or about said Premises and for injuries to persons in or about said Premises or Project, from any cause arising at any time to the fullest extent permitted by law, and, except to the extent due to the negligence or willful misconduct of Landlord or the Landlord Related Parties, Tenant shall indemnify, defend with counsel reasonably acceptable to Landlord and hold Landlord and the Landlord Related Parties harmless from and against all claims, liabilities, obligations, penalties, fines, actions, losses, damages, costs or expenses (including without limitation reasonable attorneys fees) incurred or suffered arising from the use or occupancy of the Premises or any part of the Project by Tenant or Tenant' s Agents, the acts or omissions of Tenant or Tenant' s Agents, Tenant' s breach of this Lease, or any damage or injury to person or property from any cause, including but not limited to the use or occupancy of the Premises or any part of the Project by Tenant or Tenant' s Agents, the acts' or omissions of Tenant or Tenant' s Agents, Tenant' s breach of this Lease or from the failure of Tenant to keep the Premises in good condition and repair as herein provided. Further, except to the extent due to the negligence or willful misconduct of Landlord or the Landlord Related Parties in the event Landlord is made party to any litigation due to the acts or omission of Tenant or Tenant' s Agents, Tenant shall indemnify, defend (with counsel reasonably acceptable to Landlord) and hold Landlord and the Landlord Related Parties harmless from and against all claims, liabilities, obligations, penalties, fines, actions, losses, damages, costs or expenses (including without limitation reasonable attorneys fees) incurred in connection with such litigation.

**15. DESTRUCTION OF PREMISES:**

**A. Landlord' s Obligation to Restore:**

In the event of damage or destruction of the Premises during the Lease Term Landlord, and Tenant to the extent of its Specialized Tenant Improvements and Alterations, shall repair the same to a similar condition to that which existed prior to such damage or destruction. Such damage or destruction shall not annul or void this Lease; however, Tenant shall be entitled to a proportionate reduction of Base Monthly Rent while repairs are being made, such proportionate reduction to be based upon the extent to which the repairs interfere with Tenant' s business in the Premises, as reasonably determined by Landlord. In no event shall Landlord be required to replace or restore Alterations, Specialized Tenant Improvements or Tenant' s trade fixtures or personal property. Tenant shall be obligated to replace and restore all Specialized Tenant Improvements and Alterations.

**B. Limitations on Landlord' s Restoration Obligation:**

Notwithstanding the provisions of Section 15.A above, Landlord shall have no obligation to repair or restore the Premises if any of the following occur: (i) if Landlord estimates the repairs cannot be made in one hundred eighty (180) days from the date of receipt of all

governmental approvals necessary under applicable Laws of State, Federal, County or Municipal authorities, as reasonably determined by Landlord, (ii) if the holder of the first deed of trust or mortgage encumbering the Building elects not to permit the insurance proceeds payable upon damage or destruction to be used for such repair or restoration, (iii) the damage or destruction is not fully covered by the insurance maintained by Landlord (excluding deductibles), (iv) the damage or destruction occurs in the last twenty four (24) months of the Lease Term, (v) Tenant is in default pursuant to the provisions of Section 13 above, or (vi) Tenant has vacated the Premises for more than ninety (90) days before the casualty event. In any such event Landlord may elect either to (i) complete the repair or restoration, or (ii) terminate this Lease by providing Tenant written notice of its election within sixty (60) days following the damage or destruction. If Landlord elects to repair or restore, this Lease shall continue in full force and effect. Tenant hereby waives the benefits and rights provided to Tenant by the provisions of Civil Code Sections, 1932 and 1933, or any similar Law now or hereafter in effect.

**C. Tenant Termination Right:**

Notwithstanding anything to the contrary contained in this Lease, if Tenant' s use of the Premises is substantially impaired for a period of more than one hundred eighty (180) days from the date of receipt of all governmental approvals necessary under applicable Laws of State, Federal, County or Municipal authorities, as reasonably determined by Landlord, then Tenant shall have the right to terminate this Lease by written notice to Landlord at any time thereafter before Tenant' s use of the Premises is substantially restored. If this Lease is terminated by Landlord or Tenant pursuant to this Article 15, then the insurance deductible shall be amortized over a period of sixty (60) months, and Tenant shall reimburse Landlord not later than ten (10) days after demand for that portion of the deductible attributable to the period commencing on the date that the Lease terminates and ending the date the Lease would have expired but for such early termination.

**16. CONDEMNATION:**

If any part of the Premises shall be taken for any public or quasi-public use, under any statute or by right of eminent domain or private purchase in lieu thereof, and only a part thereof remains which is susceptible of occupation hereunder, this Lease shall, as to the part so taken, terminate as of the day before title vests in the condemnor or purchaser ("**Vesting Date**") and Base Monthly Rent payable hereunder shall be adjusted so that Tenant is required to pay for the remainder of the Lease Term only such portion of Base Monthly Rent as the value of the part remaining after such taking bears to the value of the entire Premises prior to such taking, as reasonably determined by Landlord. Further, in the event of such partial taking, Landlord shall have the option to terminate this Lease as of the Vesting Date. If all of the Premises or such part thereof be taken so that there does not remain a portion susceptible for occupation hereunder, this Lease shall terminate on the Vesting Date. If part or all of the Premises be taken, all compensation awarded upon such taking shall go to Landlord, and Tenant shall have no claim thereto; except Landlord shall cooperate with Tenant, without cost to Landlord, to recover compensation for the unamortized cost of any Specialized Tenant Improvements and Alterations, or for Tenant' s moving costs. Tenant hereby waives the provisions of California Code of Civil Procedures Section 1265.130 and any similar Law now or hereafter in effect, and the provisions of this Section 16 shall govern in the case of a taking.

**17. ASSIGNMENT OR SUBLEASE:**

**A. Consent by Landlord:**

Except as specifically provided in Section 17.E below, Tenant may not voluntarily, involuntarily or by operation of law, assign, sell or otherwise transfer all or any part of Tenant' s interest in this Lease or in the Premises, cause or permit any part of the Premises to be sublet, occupied or used by anyone other than Tenant, or permit any person to succeed to any interest in this Lease or the Premises (all of the foregoing being a "**Transfer**") without the express written consent of Landlord. In the event Tenant desires to effectuate a Transfer, Tenant shall deliver to Landlord (i) executed counterparts of any agreement and of all ancillary agreements with the proposed transferee, (ii) current financial statements of the transferee covering the; preceding three (3) years, (in) the nature of the proposed transferee' s business to be carried on in the Premises, (iv) a statement outlining all consideration to be given on account of the Transfer, and (v) a current financial statement of Tenant. Landlord may condition its approval of any Transfer on receipt of a certification from both Tenant and the proposed transferee of all consideration to be paid to Tenant in connection with such Transfer. At Landlord' s request, Tenant shall also provide additional information reasonably required by Landlord to determine whether it will consent to the proposed Transfer. Landlord shall have a fifteen (15) day period following receipt of all the foregoing within which to notify Tenant in writing that Landlord elects to: (i) terminate this Lease as to any portion of the Premises proposed to be transferred, in the case of any Transfer which, together with other Transfers then in effect, affects seventy five percent (75%) of more or the rentable square footage in the Building; (ii) permit Tenant to Transfer such space to the named transferee on the terms and conditions set forth in the notice; or (iii) refuse consent. If Landlord should fail to notify Tenant in Writing of such election within the 30-day period, Landlord shall be deemed to have elected option (iii) above. In the event Landlord elects option (i) above, this Lease shall expire with respect to such part of the Premises on the date upon which the proposed Transfer was to commence, and from such date forward, Base Monthly Rent shall be adjusted based on the proportion that the rentable area of the Premises remaining bears to the total rentable area of the Premises before exercise of Landlord' s election to terminate, and Tenants Allocable Share of all other costs and charges shall be adjusted; in accordance with Section 8.E based upon the remaining rentable area of the Premises. In the event Landlord does not elect option (i) above, Landlord' s consent to the proposed Transfer shall not be unreasonably withheld, provided and upon the condition that: (i) the proposed transferee is engaged in a business that is limited to the use expressly permitted under this Lease; (ii) the proposed transferee is a company with sufficient financial worth and management ability to undertake the financial obligation of this Lease and Landlord has been furnished with reasonable proof thereof; (iii) the proposed transfer agreement, if it is a sublease, conforms to the requirements of Section 17.1 below or if it is an assignment, is in a form reasonably satisfactory to Landlord; (iv) the proposed Transfer will not result in there being greater than two (2) subtenants or other occupants (not including employees) within the Premises at any time offing the Lease Term; (v) Tenant pays to Landlord on demand the amount of Two Thousand Five Hundred Dollars ($2,500) in full reimbursement to Landlord for costs and time incurred by Landlord in evaluating Tenant' s requested Transfer, and (vi) Tenant shall not have advertised or publicized in any way the availability of the Premises without prior notice to Landlord. In the event all or any one of the foregoing conditions are not satisfied (without limiting other factors that may be considered or conditions that may be imposed by Landlord in connection with a requested Transfer), Landlord shall be considered to have acted reasonably if it withholds its consent. Tenant shall not hypothecate, mortgage, pledge or otherwise encumber Tenant' s interest in this Lease or the

Premises or otherwise use the Lease as a security device in any manner without the consent of Landlord, (all of the foregoing being an "**Hypothecation**") which consent Landlord may withhold in its sole and absolute discretion. Tenant shall reimburse Landlord on demand for any costs that may be incurred by Landlord in connection with an Hypothecation, including legal costs incurred in connection with the granting or denial of any requested consent. Landlord' s consent to one or more Transfers or Hypothecations shall not operate to waive Tenant' s obligation to obtain Landlord' s consent to other Transfers or Hypothecations nor constitute consent to an assignment or other Transfer following foreclosure of any permitted lien, mortgage or other encumbrance. Subject to Section 13.E. below, if Tenant is a corporation, limited liability company, unincorporated association, partnership or other legal entity, the sale, assignment, cancellation, surrender, exchange, conversion or any other transfer or hypothecation of any stock, membership or other ownership interest in such entity (whether occurring at one time or over a period of time) in the aggregate of more than fifty percent (50%) (determined cumulatively) shall be deemed an assignment of this Lease; in the case of a partnership, any withdrawal or substitution (whether occurring at one time or over a period of time) of any partners owning fifty percent (50%) or more (cumulatively) of the partnership, dissolution of the partnership shall be deemed an assignment of this Lease; provided that, subject to Section 17.D below the foregoing provisions of this sentence shall not apply to a transfer of stock in a corporation whose stock is publicly traded on a public stock exchange. If Tenant is an entity, any sale of all or substantially all of its assets shall be deemed an assignment of this Lease. If Tenant is a corporation whose stock is not publicly traded on a public stock exchange, any dissolution, merger, consolidation or reorganization of Tenant shall be deemed a Transfer. Tenant acknowledges and agrees that the provision of this Section 17 are not unreasonable standards or conditions for purposes of Section 1951.4 of the California Civil Code, as amended from time to time, under bankruptcy laws, or for any other purpose.

Notwithstanding anything set forth in this Section 17 to the contrary, so long as Hortonworks Inc., a Delaware corporation, or a permitted transferee pursuant to a Permitted Transfer is the Tenant under this Lease, Tenant shall have the right to permit Tenant' s clients or entities having a business relationship with Tenant to use a portion of the rentable space in the Building on a temporary basis (not to exceed ten (10) consecutive days) for the purpose of conducting its business with Tenant, provided that (i) such individuals or entities (the "**Allowed Occupants**") shall not occupy a separately demised portion of the Premises which contains an entrance from outside of the Premises to such portion of the Premises other than the entrance to the Premises used by Tenant, and no demising walls shall be constructed within the Premises to separate any of the Allowed Occupants from other occupants of the Premises; (ii) such occupancy shall not be a subterfuge by Tenant to avoid its obligations under this Lease or the restrictions on Transfers pursuant to this Section 17; (iii) no rent or other consideration shall charged with respect to any Allowed Occupants' use of the Premises; (iv) the Allowed Occupants shall not occupy, in the aggregate, in excess of ten percent (10%) of the rentable square footage in the Building; (v) such occupancy shall otherwise be subject to all of the terms and conditions of this Lease, (vi) Tenant shall be liable for violations by any of the Allowed Occupants of the terms and conditions of this Lease, and (vii) Tenant shall remain fully responsible and liable for the performance of all of the obligations of the Tenant under the Lease. In no event shall the Allowed Occupants have any rights under this Lease. A breach or violation of this Lease by any of the Allowed Occupants shall constitute a breach or violation of this Lease by Tenant. The failure of any of the Allowed Occupants to vacate the Premises prior to the expiration or termination of this Lease shall be deemed a holding over by Tenant without Landlord' s consent. In no event shall the use of occupancy of the Premises by any of the Allowed Occupants constitute a sublease, assignment or license or Landlord' s consent thereto.

**B. Assignment or Subletting Consideration:**

Landlord and Tenant hereby agree that fifty percent (50%) of any rent or other economic consideration (including without limitation, payments for trade fixtures and personal property in excess of the fair market value thereof, stock, warrants, and options) in excess of the Base Monthly Rent payable hereunder (after deducting therefrom Reasonable Transfer Costs (defined below)) (i) realized by Tenant in connection with any Transfer by Tenant (other than a Permitted Transfer (defined in Section 17.E below)), and/or (ii) realized by a subtenant or any other person or entity (other than Tenant) (any such subtenant, person or entity being a "**Subsequent Transferor**") in connection with a sublease, assignment or other Transfer by such Subsequent Transferor", shall be paid by Tenant to Landlord promptly after such amounts are paid to Tenant or a Subsequent Transferor, regardless of the amount of subrent the Subsequent Transferor pays to Tenant or any prior Subsequent Transferor. As used in this Section 17.B, "Reasonable Transfer Costs" shall mean the following costs, to the extent reasonably incurred in connection with the Transfer in question: (i) marketing expenses, advertising costs and brokerage commissions payable to unaffiliated third parties, (ii) tenant improvement costs incurred solely in connection with such Transfer including architectural, design and permit fees, and (iii) reasonable legal fees. In the case of a Transfer other than an assignment of Tenant' s entire interest in the Lease and Premises, Reasonable Transfer Costs shall be amortized on a straight line basis, without interest, over the initial term of the Transfer. Tenant' s obligation to pay over Landlord' s portion of the consideration constitutes an obligation for additional rent hereunder. The above provisions relating to Landlord' s right to terminate the Lease and relating to the allocation of excess rent are independently negotiated terms of the Lease which constitute a material inducement for the Landlord to enter into the Lease, and are agreed by the Parties to be commercially reasonable. No Transfer by Tenant shall relieve it of any obligation under this Lease. Any Transfer which conflicts with the provisions of this Lease shall be voidable by Landlord at any time following such Transfer.

**C. No Release:**

Any Transfer shall be made only if and shall not be effective until the transferee shall execute, acknowledge, and deliver to Landlord an agreement, in form and substance satisfactory to Landlord, whereby the transferee shall assume all the obligations of this Lease on the part of Tenant to be performed or observed to the extent of the interest being transferred and shall be subject to all the covenants, agreements, terms, provisions and conditions in this Lease to the extent applicable to the interest being transferred. Notwithstanding any Transfer and the acceptance of rent or other sums by landlord from any transferee, Tenant and any guarantor shall remain fully liable for the payment of Base Monthly Rent and additional rent due, and to become due hereunder, for the performance of all the covenants, agreements, terms, provisions and conditions contained in this Lease on the part of Tenant to be performed and for all acts and omissions of any transferee or any other person claiming under or through any transferee that shall be in violation of any of the terms and conditions of this Lease, and any such violation shall be deemed a violation by Tenant. Tenant shall indemnify, defend with counsel reasonably acceptable to Landlord and hold Landlord and the Landlord Related Parties harmless from and against all claims, liabilities, obligations, penalties, fines, actions, losses, damages, costs or expenses (including without limitation reasonable attorneys fees) resulting from any claims that may be made against Landlord by the proposed transferee or by any real estate brokers or other persons claiming compensation in connection with the proposed Transfer.

**D. Reorganization of Tenant:**

Notwithstanding any other provision of this Lease, the provisions of this Section 17.D shall apply if Tenant is a publicly-held corporation and: (i) there is a dissolution, merger, consolidation, or other reorganization of or affecting Tenant, where Tenant is not the surviving corporation, or there is a sale of all or substantially all of the assets of Tenant, or (ii) there is a sale, cancellation, surrender, exchange, conversion or any other transfer of stock involving or consisting of more than fifty percent (50%) of the total combined voting power of all classes of Tenant' s capital stock issued, outstanding and entitled to vote for the election of directors, or there is any merger, consolidation or other reorganization of or affecting Tenant, whether the foregoing occurs in a single transaction or in multiple steps, and after any one or more of such events Tenant' s stock is no longer publicly traded. In a transaction under clause (i) of this Section 17.D, the surviving or acquiring corporation or entity ("**Surviving Entity**") shall promptly execute and deliver to Landlord an agreement in form reasonably satisfactory to Landlord under which the Surviving Entity assumes the obligations of Tenant hereunder. In a transaction or series of transactions under clause (ii) of this Section 17.D, the entities which as a result of such transaction(s) own a greater than fifty percent (50%) interest in Tenant (including, without limitation as a result of a reverse triangular merger or a triangular merger) (collectively the "**Acquiring Entity**") shall promptly execute and deliver to Landlord a guaranty of lease in form reasonably satisfactory to Landlord under which the Acquiring Entity guarantees the full payment and performance of the obligations of Tenant under the Lease ("**Lease Guaranty**"). The foregoing notwithstanding, in the event the Surviving Entity or Acquiring Entity is itself not a publicly-traded corporation, but is instead the subsidiary of a publicly-traded corporation (or a subsidiary of a subsidiary of a publicly-traded corporation, or a subsidiary in a chain of entities in which one or more parent corporations are publicly traded), then each publicly-traded parent corporation in such chain shall be required to execute and deliver to Landlord the Lease Guaranty. In addition, in the event that after such acquisition Tenant no longer prepares audited financial statements, then in addition to the financial statements required to be delivered by Tenant hereunder, the entity required to execute the Lease Guaranty shall provide Landlord its audited financial statements at the times and in the manner required of Tenant hereunder. It is the intent of the parties that after such any transaction or series of transactions described in this Section 17.D, Landlord shall be entitled to rely on the creditworthiness of publicly-traded corporations and to receive audited financial information from publicly-traded corporation.

**E. Permitted Transfers:**

Provided that Tenant otherwise complies with the provisions of this Section 17, except the provision requiring prior consent, but otherwise including without limitation the provisions of Section 17.D, Tenant may enter into any of the following Transfers described in this Section 17.E (a "**Permitted Transfer**") without Landlord' s prior consent, provided however that Tenant shall notify Landlord of any such Transfer not later than five (5) business days after the effective date of such Transfer. Tenant may sublease all or part of the Premises or assign its interest in this Lease to (i) any corporation which controls, is controlled by, or is under common control with the original Tenant to this Lease by means of an ownership interest of more than fifty percent (50%); (ii) a corporation which results from a merger, consolidation or other reorganization in which Tenant is not the surviving corporation, so long as the surviving corporation has a net worth at the time of such assignment or sublease that is equal to or greater than the net worth of Tenant immediately prior to such transaction; and (iii) a corporation which purchases or otherwise acquires all or substantially all of the assets of Tenant so long as such acquiring corporation has a net worth at the time of such assignment or sublease that is equal to or greater than the net worth of Tenant immediately prior to such transaction. The following is also a "Permitted Transfer" pursuant to this Section 17.E: The transfer of hypothecation of stock or the issuance of new stock or stock warrants in the corporation which is Tenant to the extent the foregoing occurs in connection with any bona fide venture financing or capitalization for the benefit of Tenant.

**F. Effect of Default:**

In the event of Tenant' s default, Tenant hereby assigns all amounts due to Tenant from any Transfer as security for performance of Tenant' s obligations under this Lease, and Landlord as assignee of Tenant, or a receiver for Tenant appointed on Landlord' s application, may collect such amounts and apply it toward Tenant' s obligations under this Lease, except that Tenant may collect such amounts unless a default occurs as described in Section 13 above. Landlord' s collection of any amounts due from a Transfer shall not constitute an acceptance by Landlord of attornment by any subtenants, and upon Tenant' s default Landlord shall have all rights provided by this Lease and applicable Laws, including without limitation terminating this Lease and any or all occupants' rights to possession of the Premises as Landlord shall determine in Landlord' s sole and absolute discretion. A termination of the Lease due to Tenant' s default shall not automatically terminate a Transfer then in existence; rather at Landlord' s election (1) such Transfer shall survive the Lease termination, (2) the transferee shall attorn to Landlord, and (3) Landlord shall undertake the obligations of Tenant under the transfer agreement; except that Landlord shall not be liable for prepaid rent, security deposits or other defaults of Tenant to the transferee, or for any acts or omissions of Tenant and Tenant' s Agents.

**G. Conveyance by Landlord:**

In the event of any transfer of Landlord' s interest in this Lease, the Landlord herein named (and in case of any subsequent transfer, the then transferor) shall be automatically freed and relieved from and after the date of such transfer of all liability for the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed; provided, however, that any funds in the hands of Landlord or the then transferor at the time of such transfer, in which Tenant has an interest shall be turned over to the transferee and any amount then due and payable to Tenant by Landlord or the then transferor under any provision of this Lease shall be paid to Tenant; and provided, further, that upon any such transfer, the transferee shall be deemed to have assumed, subject to the limitations of this Section 17 above all of the agreements, covenants and conditions in this Lease to be performed from and after the transfer on the part of Landlord, it being intended hereby that the covenants and obligations contained in this Lease to be performed on the part of Landlord shall, subject as aforesaid, be binding on each Landlord, its successors and assigns, only during its period of ownership.

**H. Successors and Assigns:**

Subject to the provisions this Section 17, the covenants and conditions of this Lease shall apply to and bind the heirs, successors, executors, administrators and assigns of all Parties hereto; and all parties hereto comprising Tenant shall be jointly and severally liable hereunder.

**I. Sublease Requirements:**

With respect to any permitted sublet of the Premises by Tenant to an approved Subtenant ("**Subtenant**"), the sublet transaction shall be evidenced by a written sublease between Tenant and Subtenant (the "**Sublease**"). The Sublease shall comply with the following requirements: (i) The form of the Sublease and the terms and conditions thereof shall be subject to Landlord' s approval which shall not be withheld unreasonably; (ii) The Sublease shall provide that it is subject to and shall incorporate by reference all of the terms and conditions of this Lease, except those terms and conditions relating to Rent, Additional Rent, and any other amount due under this Lease; (iii) The Sublease shall provide that the Subtenant shall have no right to exercise any option or other right granted to Tenant in this Lease; (iv) The Sublease shall contain a waiver of subrogation against Landlord and shall require Subtenant' s insurance policies to acknowledge such waiver of subrogation; (v) The Sublease shall provide that all requirements of the Lease applicable to subleases shall be applicable to sub-subleases; (vi) The Sublease shall require Subtenant, acting through Tenant, to obtain Landlord' s prior written approval, to any alteration to the Premises to the same extent Tenant is required by this Lease to obtain such content; (vii) The Sublease shall require Subtenant to send Landlord copies of any and all notices concerning the Premises that Subtenant is obligated to provide to Tenant and Tenant to send landlord copies of any and all notices concerning the Premises that Tenant is obligated to provide to Subtenant; (viii) The Sublease shall provide that, at Landlord' s option, the Sublease shall not terminate in the event that this Lease terminates and shall require Subtenant to execute an attornment agreement if Landlord, in its sole and absolute discretion, shall elect to have the Sublease continue beyond the date of termination of this Lease; and (ix) The Sublease shall require the Subtenant to agree that on receipt of notice from Landlord that Tenant has defaulted, Subtenant shall pay all sums due under the Sublease to Landlord.

**18. OPTION TO EXTEND THE LEASE TERM:**

**A. Grant and Exercise of Option:**

Landlord grants to Tenant, subject to the terms and conditions set forth in this Section 18 two (2) options (each an "**Option**" and collectively the "**Options**") to extend the Lease Term for an additional term (each an "**Option Term**"). Each Option Term shall be for a period of sixty (60) months and each Option shall be exercised, if at all, by written notice to Landlord no earlier than eighteen (18) months prior to the date the Lease Term would expire but for such exercise but no later than twelve (12) months prior to the date the Lease Term would expire but for such exercise, time being of the essence for the giving of such notice. If Tenant exercises an Option, all of the terms, covenants and conditions of this Lease shall apply except for the grant of additional Options pursuant to this Section 18 and except for tenant improvement, improvement allowances or relocation allowances or other leasing concessions and inducements, and provided that Base Monthly Rent for the Premises payable by Tenant during the Option Term shall be the greater of (i) the Base Monthly Rent applicable to the period immediately prior to the commencement of the Option Term, or (ii) ninety five percent (95%) of the Fair Market Rental as hereinafter defined. Notwithstanding anything herein to the contrary, (i) if Tenant is in monetary or material non-monetary default under any of the terms, covenants or conditions of this Lease either at the time Tenant exercises the Option or at any time thereafter prior to the commencement date of the Option Term, or (ii) if the net worth of Tenant as reported in Tenant' s most recent financial statement is not sufficient to meet all obligations of the Tenant under this Lease in Landlord' s reasonable determination, then Landlord shall have, in addition to all of Landlord' s other rights and remedies provided in this Lease, the right to terminate the Option upon notice to Tenant, in which event the Lease Term shall not be extended pursuant to this Section 18.A. As used herein, the term "Fan Market Rental" is defined as the rental and all other monetary payments, including any escalations and adjustments thereto (including without limitation Consumer Price Indexing) that Landlord could obtain during the Option Term from a third party desiring to lease the Premises, based upon the (i) current use and other potential uses of the Premises, as determined by the rents then obtainable for new leases of space comparable in age and quality to the Premises in the same real estate submarket as the Building and (ii) the credit standing and financial stature of the Tenant. The appraisers shall be instructed that the foregoing five percent (5.0%) discount is intended to offset Comparable rents that include the following costs which Landlord will not incur in the event Tenant exercises its option (i) brokerage commissions, (ii) tenant improvement or relocation allowances, (iii) vacancy costs, and (iv) other concessions or inducements.

**B. Determination of Fair Market Rental:**

If Tenant exercises an Option, Landlord shall send Tenant a notice setting forth the Fair Market Rental for the Option Term within thirty (30) days following the date of exercise. If Tenant disputes Landlord' s determination of Fair Market Rental for the Option Term, Tenant shall, within thirty (30) days after delivery to Tenant of Landlord' s notice setting forth Fair Market Rental for the Option Term, send to Landlord a notice stating that Tenant either elects to terminate its Exercise of the Option, in which event the Option shall lapse and this Lease shall terminate on the Expiration Date, or that Tenant disagrees with Landlord' s determination of Fair Market Rental for the Option Term and elects to resolve the disagreement as provided in Section 18.C below. If Tenant does not timely send Landlord a notice as provided in the previous sentence, Landlord' s determination of Fair Market Rental shall be deemed the agreed upon Fair Market Rental amount to be used in computing Base Monthly Rent payable by Tenant during the Option Term. If Tenant elects to resolve the disagreement as provided in Section 18.C below and such procedures are not concluded prior to the commencement date of the Option Term, Tenant shall pay to Landlord as Base Monthly Rent the greater of (i) the Base Monthly Rent in effect immediately before the start of the Option Term, or (ii) ninety five percent (95%) of the Fair Market Rental as determined by Landlord in the manner provided above. If the Fair Market Rental as finally determined pursuant to Section 18.C is greater than Landlord' s determination, Tenant shall pay Landlord the difference between the amount paid by Tenant and the actual Base Monthly Rent due as so determined in this Section 18 within thirty (30) days after such determination. If the Fair Market Rental as finally determined in Section 18.C is less than Landlord' s determination, the difference between the amount paid by Tenant and the actual Base Monthly Rent due as so determined pursuant to this Section 18 shall be credited against the next installments of Base Monthly Rent due from Tenant to Landlord hereunder.

**C. Resolution of a Disagreement over the Fair Market Rental:**

Any disagreement regarding Fair Market Rental shall be resolved as follows: Within thirty (30) days after Tenant' s response to Landlord' s notice setting forth the Fair Market Rental, Landlord and Tenant shall meet at a mutually agreeable time and place, in an attempt to resolve the disagreement. If within the 30-day consultation period referred to above, Landlord and Tenant cannot reach agreement as to Fair Market Rental, each party shall select one appraiser to determine Fair Market Rental. Each such appraiser shall arrive at a determination of Fair Market Rental and submit their conclusions to Landlord and Tenant within thirty (30) days after the expiration of the 30-day consultation period described above. If only one appraisal is submitted within the requisite time period, it shall be deemed as Fair Market Rental. If both appraisals are submitted within such time period and the two (2) appraisals so submitted differ by less than ten percent (10%) of the higher appraisal, the average of the two shall be deemed as Fair Market Rental. If the two appraisals differ by ten percent (10%) or more of the higher appraisal, the appraisers shall immediately select a third appraiser who shall, within thirty (30) days after this selection, make and submit to Landlord and Tenant a determination of Fan Market Rental. This third appraisal will then be averaged with the closer of the two previous appraisals and the result shall be Fair Market Rental, or if it is in the middle of the two (2) previous appraisals the third appraisal shall be the Fair Market Rental. All appraisers specified pursuant to this Section 18.C shall be members of the American Institute of Real Estate Appraisers with not less than ten (10) years experience appraising office and industrial properties in the Santa Clara Valley. Each party shall pay the cost of the appraiser selected by such party and one-half of the cost of the third appraiser.

**D. Personal to Tenant:**

All Options provided to Tenant in this Lease are personal and granted solely to Hortonworks Inc., and any permitted transferees pursuant to a Permitted Transfer, and are not exercisable by any other person or entity whether or not a Transfer has occurred unless Landlord consents to permit exercise of any Option by any assignee or subtenant in Landlord' s sole and absolute discretion. In the event Tenant has multiple options to extend this Lease, a later Option to extend the Lease cannot be exercised unless the prior Option has been properly exercised and the Option Term for that exercised prior Option has commenced.

**19. GENERAL PROVISIONS:**

**A. Attorney' s Fees:**

In the event a suit or alternative form of dispute resolution is brought for the possession of the premises, for the recovery of any sum due hereunder, to interpret the Lease, or because of the breach of any other covenant herein; then the losing party shall pay to the prevailing party reasonable attorney' s fees and costs incurred in connection with such proceeding, including the expense of expert witnesses, depositions and court testimony. The prevailing party shall also be entitled to recover all costs and expenses including reasonable attorney' s fees incurred in enforcing any judgment or award against the other party. The foregoing provision relating to post-judgment costs is severable from all other provisions of this Lease.

**B. Authority of Parties:**

If Tenant is a corporation, partnership or other entity, Tenant and each individual signing this Lease on behalf of Tenant represents and warrants that Tenant is duly formed and in good standing, that each individual signing this Lease is duly authorized to execute and deliver this Lease on behalf of Tenant and to bind Tenant to this Lease in accordance with Tenant' s governing documents, and that this Lease is binding upon Tenant in accordance with its terms. At Landlord' s request, Tenant shall provide Landlord with corporate resolutions or other proof in a form acceptable to Landlord, of the authorizations described in this Section 19.B

**C. Brokers:**

Tenant represents it has not utilized or contacted a real estate broker or finder with respect to this Lease other than Jones Lang LaSalle and Tenant agrees to indemnify, defend with counsel reasonably acceptable to Landlord and hold Landlord and the Landlord Related Parties harmless from and against all claims, liabilities, obligations, penalties, fines, actions, losses, damages, costs or expenses (including without limitation reasonable attorneys fees) asserted by any other broker or tinder claiming through Tenant.

**D. Choice of Law:**

This Lease shall be governed by and construed in accordance with California law. Venue for all court proceedings or alternative forms of dispute resolution proceedings shall be Santa Clara County, California.

**E. ARBITRATION OF DISPUTES:**

LANDLORD AND TENANT AND ANY OTHER PARTY THAT MAY BECOME A PARTY TO THIS LEASE OR BE DEEMED A PARTY TO THIS LEASE, AND THEIR RESPECTIVE SUCCESSORS, ASSIGNS AND SUBTENANTS, AGREE THAT, EXCEPT FOR ANY CLAIM BY LANDLORD FOR (I) UNLAWFW DETAINER, (II) TENANT' S FAILURE TO PAY THE BASE MONTHLY RENT, OR (III) WITHIN THE JURISDICTION OF THE SMALL CLAIMS COURT (WHICH SMALL CLAIMS COURT SHALL BE THE SOLE COURT OF COMPETENT JURISDICTION FOR SUCH SMALL CLAIMS MATTER), ANY CONTROVERSY, DISPUTE, OR CLAIM OF WHATEVER NATURE ARISING OUT OF, IN CONNECTION WITH OR IN RELATION TO THE INTERPRETATION, PERFORMANCE OR BREACH OF THIS LEASE, INCLUDING ANY CLAIM BASED ON CONTRACT, TORT, OR STATUTE, SHALL BE RESOLVED AT THE REQUEST OF ANY PARTY TO THIS LEASE, OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS AND SUBTENANTS, THROUGH DISPUTE RESOLUTION PROCESS ADMINISTERED BY J.A.M.S. OR OTHER JUDICIAL MEDIATION SERVICE MUTUALLY ACCEPTABLE TO THE PARTIES LOCATED IN SANTA CLARA COUNTY, CALIFORNIA. THE DISPUTE RESOLUTION PROCESS SHALL CONSIST OF A FINAL AND BINDING ARBITRATION ADMINISTERED BY AND IN ACCORDANCE WITH THE THEN EXISTING RULES AND PRACTICES OF J.A.M.S. OR OTHER JUDICIAL MEDIATION SERVICE SELECTED, AND JUDGMENT UPON ANY AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED BY ANY STATE OR FEDERAL COURT HAVING JURISDICTION THEREOF AS PROVIDED BY CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 1280 ET SEQ, AS SAID STATUTES THEN APPEAR, INCLUDING ANY AMENDMENTS TO SAID STATUTES OR SUCCESSORS TO SAID STATUTES OR AMENDED STATUTES, EXCEPT THAT IN NO EVENT SHALL THE PARTIES BE ENTITLED TO PROPOUND INTERROGATORIES OR REQUESTS FOR ADMISSIONS DURING THE ARBITRATION PROCESS. THE ARBITRATOR SHALL BE A RETIRED JUDGE OR A LICENSED CALIFORNIA ATTORNEY. THE VENUE FOR ANY SUCH ARBITRATION SHALL BE IN SANTA CLARA COUNTY, CALIFORNIA.

NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THIS "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THIS "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THIS "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.

Landlord: __/s/ JMS__ Tenant: __/s/ DB__

**F. Entire Agreement:**

This Lease and the exhibits attached hereto contain all of the agreements and conditions made between the Parties hereto and may not be modified orally or in any other manner other than by written agreement signed by all parties hereto or their respective successors in interest. This Lease supersedes and revokes all previous negotiations, letters of intent, lease proposals, brochures, agreements, representations, promises, warranties, and understandings, whether oral or in writing, between the parties or their respective representatives or any other person purporting to represent Landlord or Tenant.

**G. Entry by Landlord:**

Upon prior written notice to Tenant of no less than 48 hours (except in case of emergency, where no prior notice shall be required) and subject to Tenant' s reasonable security regulations, Tenant shall permit Landlord and Landlord' s agents to enter into and upon the Premises at all reasonable times, and without any rent abatement or reduction or any liability to Tenant for any loss of occupation or quiet enjoyment of the Premises thereby occasioned, for the following purposes: (i) inspecting and maintaining the Premises; (ii) making repairs, alterations or additions to the Premises; (iii) erecting additional building(s) and improvements on the land where the Premises are situated or on adjacent land owned by Landlord; (iv) performing any obligations of Landlord, under Lease including remediation of Hazardous Materials if determined to be the responsibility of Landlord, (v) posting and keeping posted thereon notices of non responsibility for any construction, alteration or repair thereof, as required or permitted by any law, and (vi) placing "For Sale" signs, and showing the Premises to Landlord' s existing or potential successors, purchasers and lenders. Tenant shall permit Landlord and Landlord' s agents, at any time within eighteen (18) months prior to the Expiration Date (or at any time during the Lease Term that Tenant is in default hereunder), to place upon the Premises "For Lease" signs, and exhibit the Premises to real estate brokers and prospective tenants at reasonable hours. At any time when Tenant does not rent all rentable space in the Project, and at any time within eighteen (18) months prior to the Expiration Date (or at any time during the Lease Term that Tenant is in default hereunder) if Tenant does rent all rentable space in the Project, Landlord shall have the right to place "For Lease" signs within the exterior Common Areas.

**H. Estoppel Certificates:**

At any time during the Lease Term, Tenant shall, within ten (10) days following written notice from Landlord, execute and deliver to Landlord a written statement certifying, if true, the following: (i) that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification); (ii) the date to which rent and other charges are paid in advance, if any; (iii) acknowledging that there are not, to Tenant' s knowledge, any uncured defaults on Landlord' s part hereunder (or specifying such defaults if they are claimed); and (iv) such other information as Landlord may reasonably request. Any such statement may be conclusively relied upon by any prospective purchaser or encumbrancer of Landlord' s interest in the Premises. Tenant' s failure to deliver such statement within such time shall be conclusive upon the Tenant that this Lease is in full force and effect without modification, except as may be represented by Landlord, and that there are no uncured defaults in Landlord' s performance. Tenant agrees to provide, within ten (10) days of Landlord' s request, Tenant' s most recent three (3) years of audited financial statements for Landlord' s use in financing or sale of the Premises or Landlord' s interest therein.

**I. Exhibits:**

All exhibits referred to are attached to this Lease and incorporated by reference.

**J. Interest:**

All rent due hereunder, if not paid when due, shall bear interest at the Agreed Interest Rate. This provision shall survive the expiration or sooner termination of the Lease. Despite any other provision of this Lease, the total liability for interest payments shall not exceed the limits, if any, imposed by the usury laws of the State of California. Any interest paid in excess of those limits shall be refunded to Tenant by application of the amount of excess interest paid against any sums outstanding in any order that Landlord requires. If the amount of excess interest paid exceeds the sums outstanding, the portion exceeding those sums shall be refunded in cash to Tenant by Landlord. To ascertain whether any interest payable exceeds the limits imposed, any non-principal payment (including late charges) shall be considered to the extent permitted by law to be an expense, fee or premium rather than interest.

**K. Modifications Required by Lender:**

If any lender of Landlord or ground lessor of the Premises requires a modification of this Lease that will not increase Tenant' s cost or expense or materially and adversely change Tenant' s rights and obligations, this Lease shall be so modified and Tenant shall execute whatever documents are required and deliver them to Landlord within ten (10) days after the request.

**L. No Presumption Against Drafter:**

Landlord and Tenant understand, agree and acknowledge that this Lease has been freely negotiated by both Parties; and that in any controversy, dispute, or contest over the meaning, interpretation, validity, or enforceability of this Lease or any of its terms or conditions, there shall be no inference, presumption, or conclusion drawn whatsoever against either party by virtue of that party having drafted this Lease or any portion thereof.

**M. Notices:**

All notices, demands, requests, or consents required to be given under this Lease shall be sent in writing by U.S. certified mail, return receipt requested, or by personal delivery addressed to the party to be notified at the address for such party specified in Section 1 above of this Lease, or to such other place as the party to be notified may from time to trine designate by at least fifteen (15) days prior notice to the notifying party; provided that such other address shall not be a P.O Box. When this Lease requires service of a notice, that notice shall be deemed to constitute and satisfy the requirements of any equivalent or similar statutory notice, including any notices required by Code of Civil Procedure Section 1161 or any similar or successor statute.

**N. Property Management:**

In addition, Tenant agrees to pay Landlord along with the expenses to be reimbursed by Tenant a monthly fee for management services rendered by either Landlord or a third party manager engaged by Landlord (which may be a party affiliated with Landlord), in the amount of three percent (3%) of the Base Monthly Rent.

**O. Rent:**

All monetary sums due from Tenant to Landlord under this Lease, including, without limitation those referred to as "additional rent", shall be deemed as rent.

**P. Representations:**

Except for the provisions of this Lease, Tenant acknowledges that neither Landlord nor any of its employees or agents have made any agreements, representations, warranties or promises with respect to the Premises or Project or with respect to present or future rents, expenses, operations, tenancies or any other matter. Except as herein expressly set forth herein, Tenant relied on no statement of Landlord or its employees or agents for that purpose.

**Q. Rights and Remedies:**

Subject to Section 13 above, all rights and remedies hereunder are cumulative and not alternative to the extent permitted by law, and are in addition to all other rights and remedies in law and in equity.

**R. Severability:**

If any term or provision of this Lease is held unenforceable or invalid by a court of competent jurisdiction, the remainder of the Lease shall not be invalidated thereby but shall be enforceable in accordance with its terms, omitting the invalid or unenforceable term.

**S. Submission of Lease:**

Submission of this document for examination or signature by the Parties does not constitute an option or offer to lease the Premises on the terms in this document or a reservation of the Premises in favor of Tenant. This document is not effective as a lease or otherwise until executed and delivered by both Landlord and Tenant.

**T. Subordination:**

This Lease is subject and subordinate to ground and underlying leases, mortgages and deeds of trust (collectively "**Encumbrances**") which may now affect the Premises, to any covenants, conditions or restrictions of record, and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, however, if the holder or holders of any such Encumbrance ("**Holder**") require that this Lease be prior and superior thereto, within seven (7) business days after written request of Landlord to Tenant, Tenant shall execute, have acknowledged and deliver all commercially reasonable documents or instruments, in the form presented to Tenant, which Landlord or Holder deems necessary or desirable for such purposes. Landlord shall have the right to cause this Lease to be and become and remain subject and subordinate to any and all Encumbrances which are now or may hereafter be executed covering the Premises or any renewals, modifications, consolidations, replacements or extensions thereof, for the full amount of all advances made or to be made thereunder and without regard to the time or character of such advances, together with interest thereon and subject to all the terms and provisions thereof; provided only, that with respect to Encumbrances created after the Effective Date, in the event of termination of any such lease or upon the foreclosure of any such mortgage or deed of trust, Holder agrees to recognize Tenant' s rights under this Lease as long as Tenant is not then in default and continues to pay Base Monthly Rent and additional rent and observes and performs all required provisions of this Lease. Within ten (10) days after Landlord' s written request, Tenant shall execute any commercially reasonable documents required by Landlord or the Holder to make this Lease subordinate to any lien of the Encumbrance. If Tenant fails to do so, then in addition to such failure constituting a default by Tenant, it shall be deemed that this Lease is so subordinated to such Encumbrance. Subject to the non-disturbance provisions set forth above, Tenant hereby attorns and agrees to attorn to any entity purchasing or otherwise acquiring the Premises at any sale or other proceeding or pursuant to the exercise of any other rights, powers or remedies under such Encumbrance.

**U. Survival of Indemnities:**

All indemnification, defense, and hold harmless obligations of Landlord and Tenant under this Lease shall survive the expiration or sooner termination of the Lease.

**V. Time:**

Time is of the essence hereunder.

**W. Transportation Demand Management Programs:**

Should a government agency or municipality require Landlord to institute TDM (Transportation Demand Management) facilities and/or programs, Tenant agrees that the cost of TDM imposed facilities and programs required specifically on the Premises, including but not limited to employee showers, lockers, cafeteria, or lunchroom facilities, shall be paid by Tenant. Further, any ongoing costs or expenses associated with a TDM program which are required specifically for the Premises and not provided by Tenant, such as an on-site TDM coordinator, shall be provided by Landlord with such costs being included as additional rent and reimbursed to Landlord by Tenant within thirty (30) days after demand. If TDM facilities and programs are instituted on a Project wide basis, Tenant shall pay Tenant' s Allocable Share of such costs in accordance with Section 8.E above.

**X. Waiver of Right to Jury Trial:**

To the extent then authorized by law as of the time of any actual litigation between them and to the extent not already encompassed within the various agreements to arbitrate otherwise contained herein, and as an alternative to arbitration should arbitration for any reason not be enforced, Landlord and Tenant waive their respective rights to trial by jury of any contract or tort claim, counterclaim, cross-complaint or cause of action in any action, proceeding, or hearing brought by either party against the other on any matter arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, or Tenant' s use or occupancy of the Premises, including any claim of injury or damage or the enforcement of any remedy under any current or future law, statute, regulation, code, or ordinance.

**Y. General:**

The captions and section headings of this Lease are for convenience of reference only, and shall not be used to limit, extend or interpret the meaning of any part of this Lease. This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document. Signatures and initials to this Lease created by the signer by electronic means and/or transmitted by telecopy or other electronic transmission shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an execution original to this Lease with its actual signature and initials to the other party, but a failure to do so shall not affect the enforceability of this Lease, it being expressly agreed that each party to this Lease shall be bound by its own electronically created and/or telecopied or electronically transmitted signature and initials and shall accept the electronically created and/or telecopied or electronically transmitted signature and initials of the other party to this Lease. All agreements by Tenant contained in this Lease, whether expressed as covenants or conditions, shall be construed to be both covenants and conditions, conferring upon Landlord, in the event of a breach thereof, the right to terminate this Lease.

**IN WITNESS WHEREOF**, Landlord and Tenant have executed this Lease on the day and year first above written.

**Landlord:**

SI 44, LLC,
a California limited liability company

By: Sobrato Interests 3,
a California limited partnership

Its: Sole Member

By: Sobrato Development Companies, LLC, a California limited liability company
Its: General Partner

By: /s/ John Michael Sobrato
John Michael Sobrato
Its: Manager

**Tenant:**

Hortonworks Inc.,
a Delaware corporation

By: /s/ Dan Bradford

Its: VP Finance, Secretary

**EXHIBIT "A"–Premises & Building**

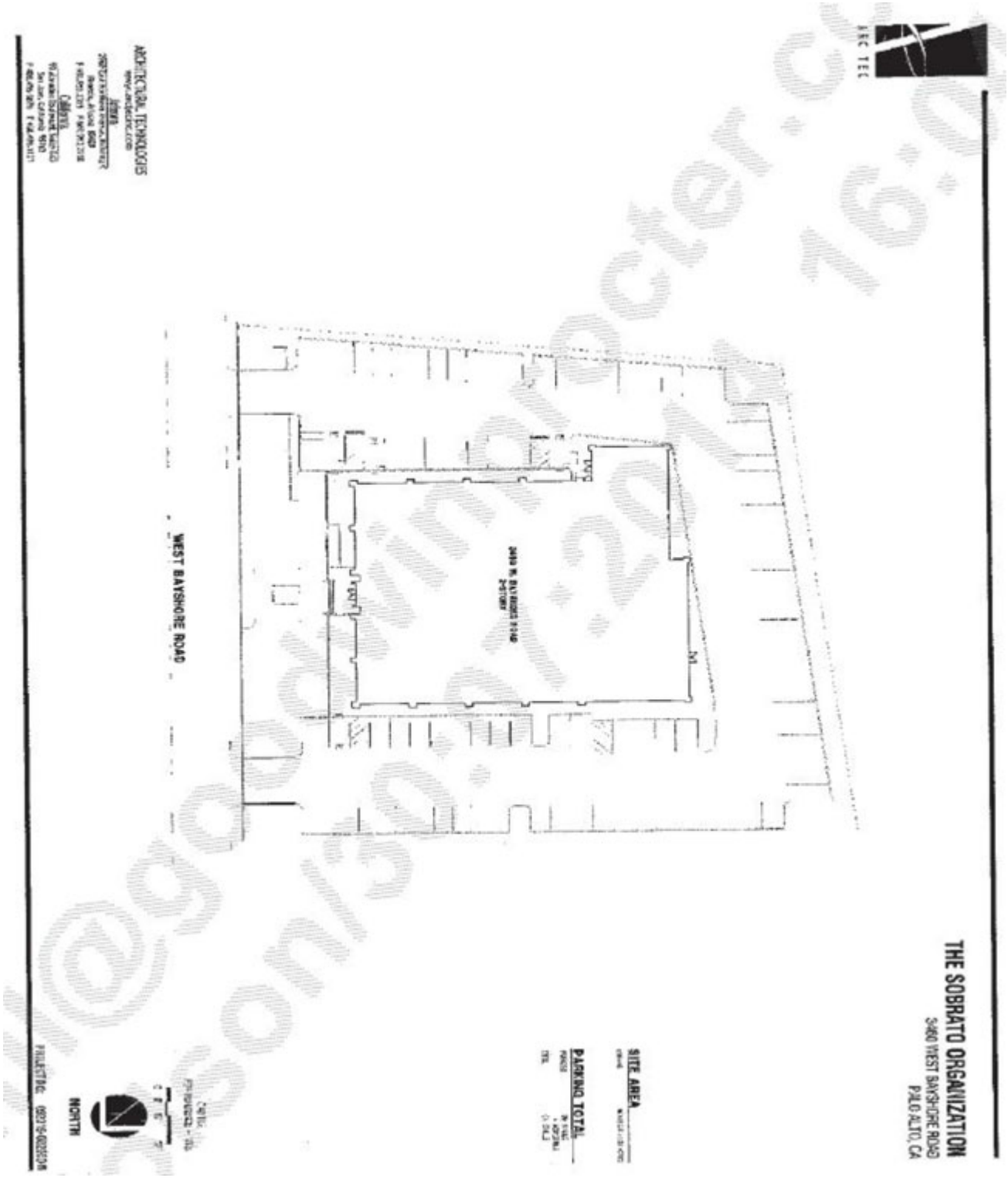

**EXHIBIT "B"−Landlord' s Work**

- Landlord at its cost shall paint all blue walls in the Premises a color as Tenant directs.

**EXHIBIT "C"–FF&E**

The FF&E would consist of the following and be delivered in a manner consistent with the floor plans below:

**1st Floor**

85 cubicles each with a chair, waste basket and at least one 3 drawer rolling file

6 offices each with a desk, task chair; some offices also have one or more guest chair(s)

7 conference rooms each with either a round table and/or multiple rectangular tables based on room size and all conference rooms would include chairs appropriate for the room

"Family Room" to include at least 50 chairs and 12 lunch tables


**2nd Floor**

80 cubicles each with a chair, waste basket and at least one 3 drawer rolling file

2 offices with a desk, task chair and at least one guest chair

8 conference rooms each with either a round table and/or multiple rectangular tables based on room size and all conference rooms would include chairs appropriate for the room

**Exhibit 10.6**

# STADIUM TECHCENTER

# LEASE

# BETWEEN

# THE LANDING SC, LLC,

# AS LANDLORD,

# AND

# HORTONWORKS, INC.,

# AS TENANT

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**SCHEDULES AND EXHIBITS**

## OFFICE LEASE

THIS LEASE, made as of this 19th day of May, 2014, is by and between THE LANDING SC, LLC, a Delaware limited liability company ("**Landlord**"), and HORTONWORKS, INC., a Delaware corporation ("**Tenant**").

### ARTICLE 1.

### BASIC PROVISIONS

| | | |
|---|---|---|
| A. | Tenant' s Name: | HORTONWORKS INC.,<br>a Delaware corporation |
| B. | Tenant' s Address: | Prior to Rent Commencement Date:<br><br>3460 West Bayshore Road<br>Palo Alto, California 94303<br>Attention: Mr. Daniel Bradford, Vice President, Finance<br><br>with a copies to:<br><br>3460 West Bayshore Road<br>Palo Alto, California 94303<br>Attention: David Howard, Esquire, Vice President, Legal Affairs<br><br>and<br><br>Sheppard Mullin Richter & Hampton LLP<br>Four Embarcadero Center, 17th Floor<br>San Francisco, California 94111<br>Attention: Doug Van Gessel<br><br>From and after Rent Commencement Date:<br><br>5470 Great America Parkway<br>Santa Clara, California 95054<br>Attn: Legal Department<br><br>with a copy to:<br><br>Sheppard Mullin Richter & Hampton LLP<br>Four Embarcadero Center, 17th Floor<br>San Francisco, California 94111<br>Attention: Doug Van Gessel |

| | | |
|---|---|---|
| C. | Building: | 5470 Great America Parkway, 95054, Santa Clara, California |
| D. | Premises: | All of the rentable area of the Building, as shown outlined on Exhibit A attached hereto. The parties acknowledge that the Premises excludes the "Stadium Cafe" shown outlined on Exhibit A attached hereto (sometimes referred to in this Lease as the "**cafeteria**"). |
| E. | Project: | The project presently known as Stadium TechCenter located in Santa Clara, California, consisting of the Building, the building located at 5450 Great America Parkway, the building located at 5480 Great America Parkway, the building to be constructed and located at 5490 Great America Parkway, and any other buildings and improvements and Common Areas from time to time located on the land shown or described on Exhibit A-l attached hereto (the "**Land**"). |
| F. | Rentable Square Feet in Premises: | 64,719 Rentable Square Feet |
| G. | Landlord: | THE LANDING SC, LLC, a Delaware limited liability company |
| H. | Landlord' s Address: | One Market Plaza<br>Spear Tower, Suite 4125<br>San Francisco, California 94105<br>Attn: John S. Grassi, President |
| I. | Project Manager: | Abigail George (or such other person or entity as Landlord shall elect from time to time by notice to Tenant in accordance with Section 30.C below) |
| | Address | Jones Lang LaSalle Americas, Inc.<br>4432 Rosewood Drive, Suite 100<br>Pleasanton, CA 94588<br>Telephone: 925 227 1690<br>Fax: 312 288 4381 |
| J. | Commencement Date: | The date that is one hundred five (105) days after the date that Landlord delivers the Premises to Tenant in the condition set forth in Section 5.A. below (the "**Delivery Date**"). The scheduled Delivery Date is June 15, 2014. |

| | | |
|---|---|---|
| K. | Rent Commencement Date: | The date that is three (3) months after the Commencement Date. For purposes of the foregoing, a "**month**" shall be deemed the period from a specified day in a calendar month to the immediately preceding day in the next calendar month (i.e., June 15, 2014 to July 14, 2015). |
| L. | Expiration Date: | The last day of the forty-eighth (48th) full calendar month after the Commencement Date. |
| M. | Monthly Rent: | See Schedule 1 attached hereto. |
| N. | Letter of Credit: | $679,549.50 |
| O. | Tenant' s Share | Premises: 100% |
| P. | Project Share: | Prior to completion of 5490 Great America Parkway: 21.08%<br>Following completion of 5490 Great America Parkway: 12.11%<br>For purposes of the foregoing, 5490 Great America Parkway shall be deemed "completed" when it may be legally occupied for general office purposes. |
| Q. | Normal Business Hours of Building: | Monday through Friday: 8:00 a.m. to 5:00 p.m., excluding state and federal holidays |
| R. | Brokers: | Cassidy Turley, Inc. and Jones Lang LaSalle |
| Q. | Landlord' s Allowance: | $1,553,256.00 (i.e., $24.00 per rentable square foot of the Premises) |

The foregoing provisions shall be interpreted and applied in accordance with the other provisions of this Lease set forth below. Capitalized terms not otherwise defined shall have the meanings set forth in Article 29 below.

## ARTICLE 2.

## PREMISES; TERM

Landlord hereby leases and demises to Tenant and Tenant hereby takes and leases from Landlord the Premises identified in Article 1 for a term ("**Term**") commencing on the Commencement Date and ending on the Expiration Date set forth in Article 1, unless sooner terminated as provided herein, subject to the provisions herein contained. Upon either party' s request, the Commencement Date, the Rent Commencement Date and the Expiration Date shall be confirmed by execution of the Commencement Date Confirmation in the form as set forth in Exhibit C. For all purposes of this Lease, Landlord and Tenant stipulate that the rentable square footage of the

Premises and each portion thereof is as set forth in Article 1. If Landlord, for any reason whatsoever, does not deliver possession of the Premises to Tenant on the scheduled Delivery Date, this Lease shall not be void or voidable and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, but in such event, the Delivery Date shall be postponed until the date on which Landlord delivers possession of the Premises to Tenant in the condition required by Section 5.A below. Notwithstanding the foregoing, if Landlord does not deliver the Premises to Tenant with Landlord' s Work substantially completed: (i) on or before July 1, 2014 (the "**First Delivery Deadline**") (which date is subject to extension for force majeure events pursuant to the terms of Article 25 below), then Tenant shall be entitled to a credit against the Rent due hereunder in an amount equal to one (1) day of Monthly Rent for each day after the First Delivery Deadline until the earlier of July 31, 2014 or the day the Premises are delivered to Tenant with Landlord' s Work substantially completed, (ii) on or before August1, 2014 (the "**Second Delivery Deadline**") (which date is subject to extension for force majeure events pursuant to the terms of Article 25 below), then Tenant shall be entitled to a credit against the Rent due hereunder in an amount equal to two (2) days of Monthly Rent for each day after the Second Delivery Deadline until the earlier of August 31, 2014 or the day the Premises are delivered to Tenant with Landlord' s Work substantially completed, and (iii) on or before September 1, 2014 (the "**Termination Date**") (which date is subject to extension for force majeure events pursuant to the terms of Article 25 below), then Tenant, as Tenant' s sole remedy, may terminate this Lease upon written notice thereof to Landlord at least fifteen (15) days in advance of Tenant' s proposed termination date, and this Lease shall terminate as of such termination date unless Landlord substantially completes Landlord' s Work and delivers the Premises to Tenant on or before Tenant' s proposed termination date. Subject to any temporary shutdown for repairs, for security purposes, for compliance with any Laws (as defined below), or due to strikes, lockouts, labor disputes, fire or other casualty, acts of God, acts of terror, or other causes beyond the reasonable control of Landlord, Tenant shall have access to the Premises twenty-four (24) hours a day, each day of the Term. Any space in the Premises used for shafts, stacks, pipes, conduits, ducts, electric or other utilities, sinks or other Building facilities, and the use thereof and access thereto through the Premises for the purposes of operation, maintenance and repairs, are reserved to Landlord. During the period between the Delivery Date and the Commencement Date (the "**Early Access Period**"), Tenant shall have access to the Premises for the purposes of the design, construction and installation of Tenant' s Work and Tenant' s furniture, fixtures and equipment in the Premises. Tenant' s possession of the Premises during the Early Access Period shall be on all of the terms, covenants and conditions of this Lease which are applicable after the Commencement Date, except that Tenant shall not be required to pay Monthly Rent or Tenant' s Share of Taxes and Operating Expenses during the Early Access Period.

## ARTICLE 3.

## RENT

**A. Monthly Rent**. Commencing as of the Rent Commencement Date, Tenant shall pay Monthly Rent in the amount set forth in Schedule 1 attached hereto in advance on or before the first day of each calendar month of the Term. If the Rent Commencement Date shall occur on a day other than the first day of a calendar month, or if the Term shall end on a day other than the last day of a calendar month, the Monthly Rent for the partial month shall be prorated on a per diem basis.

**B. Additional Rent**. All costs and expenses which Tenant assumes or agrees to pay and any other sum payable by Tenant pursuant to this Lease (other than Monthly Rent), including, without limitation, Tenant' s Share of Taxes and Operating Expenses, shall be deemed Additional Rent, and all remedies applicable to the nonpayment of Monthly Rent shall be applicable thereto.

**C. Rent**. Monthly Rent and Additional Rent are herein referred to collectively as "Rent". Landlord may apply payments received from Tenant to any obligations of Tenant then accrued, without regard to such obligations as may be designated by Tenant. Upon signing this Lease, Tenant shall pay to Landlord an amount equal to the Monthly Rent for the first full calendar month of the Term in which Monthly Rent is payable, which amount Landlord shall apply to the Monthly Rent for such first full calendar month.

**D. Place of Payment, Late Charge, Default Interest**. Rent and other charges required to be paid under this Lease, no matter how described, shall be paid by Tenant to the lockbox location designated by Landlord, or to such other person or at such other place as Landlord may from time to time designate in writing, without any prior notice or demand therefor and without deduction or set-off or counterclaim or, except as expressly provided in this Lease, abatement. At Tenant' s election, Tenant' s payment of Rent and other charges required to be paid under this Lease may be made by means of wire transfer to an account designated by Landlord for such purpose. In the event Tenant fails to pay any Rent due under this Lease when due, Tenant shall pay to Landlord a late charge of five percent (5) on the amount overdue. Notwithstanding the foregoing, Landlord shall waive the first such late charge in any calendar year, so long as Tenant pays such overdue amount within five (5) days following Landlord' s written notice to Tenant that the same is past due. Any Rent not paid when due shall also bear interest at the Default Rate from the date due until the date received by Landlord. Notwithstanding the foregoing, Landlord shall waive the first such interest charge in any calendar year, so long as Tenant pays such overdue amount within five (5) days following Landlord' s written notice to Tenant that the same is past due.

## ARTICLE 4.

## TAXES AND OPERATING EXPENSES

**A. Payment of Taxes and Operating Expenses**. Commencing as of the Commencement Date, Tenant shall pay Tenant' s Share of Operating Expenses and Taxes (collectively, "**Expenses**") incurred by Landlord during each Lease Year. To implement the foregoing, promptly following the commencement of the Term and prior to the commencement of each subsequent Lease Year (or as soon thereafter as practicable), Landlord shall estimate the Expenses payable by Tenant for such Lease Year pursuant to this Section. Tenant shall pay to Landlord, on the first day of each month, in advance, one-twelfth (1/12) of Landlord' s estimated amount. If at any time during the course of the year Landlord determines that the Expenses payable by Tenant will vary from the then estimated amount, by notice to Tenant Landlord may revise the amount payable by Tenant during the balance of the Lease Year such that the total estimated additional amount due from Tenant for such Lease Year is paid by Tenant during the

balance of the Lease Year in equal monthly amounts. Within one hundred twenty (120) days after the close of each Lease Year, or as soon thereafter as practicable, Landlord shall provide Tenant with a statement to account for any difference between the actual and the estimated Expenses for the previous Lease Year. If such statement is not given for any Lease Year, Tenant shall continue to pay on the basis of the prior Lease Year' s estimate until the month after such notice is given. Landlord' s annual statement shall be final and binding upon Tenant unless, within ninety (90) days after delivery thereof to Tenant, Tenant shall contest any item therein by written notice to Landlord, specifying each item contested and the reason therefor. Notwithstanding the foregoing, the Taxes included in any such annual statement may be modified by any subsequent adjustment or retroactive application of Taxes affecting the calculation of Expenses. If Tenant has overpaid the amount of Expenses owing pursuant to this Article, Landlord shall credit the overpayment against Tenant' s next payments due under this Article. If Tenant has underpaid the amount of Expenses owing pursuant to this Article, Tenant shall pay the amount of the underpayment to Landlord within thirty (30) days after Tenant' s receipt of Landlord' s statement. If the rentable area of the Building or the Project is not fully occupied during any Lease Year, Expenses for such Lease Year shall be adjusted to equal Landlord' s reasonable estimate of the Expenses which would have been incurred during such Lease Year if the total rentable area of the Building and Project were occupied. Landlord' s delay in submitting any statement contemplated herein for any Lease Year shall not affect the provisions of this Article, nor constitute a waiver of Landlord' s rights as set forth herein for said Lease Year or any subsequent Lease Years during the Term or any extensions thereof. If the Term ends on a day other than the last day of a Lease Year, the amounts payable by Tenant under this Article 4 applicable to the Lease Year in which the end of the Term occurs shall be prorated on the basis which the number of days from the commencement of such Lease Year to and including the date on which the end of the Term occurs bears to three hundred sixty-five (365).

**B. Tenant Audit Right**. If Tenant desires to dispute or question an amount shown on the annual statement, Tenant shall give Landlord written notice of such desire within ninety (90) days after Tenant' s receipt of the annual statement. If Tenant does not give Landlord such notice within such time, Tenant shall have waived its right to dispute or question the annual statement. Promptly after the receipt of such written notice from Tenant, Landlord and Tenant shall endeavor in good faith to resolve such dispute or address Tenant' s questions, as the case may be. Regardless of whether any such dispute or question shall exist, Tenant shall have the right to cause a nationally or regionally recognized independent certified public accountant designated by Tenant, to be paid on an hourly and not a contingent fee basis, to audit the annual statement or any amounts shown thereon, provided that Tenant (i) notifies Landlord in writing of Tenant' s intention to exercise such audit right within ninety (90) days after Tenant' s receipt of the annual statement, (ii) actually begins such audit within forty-five (45) days after the notice from Tenant to Landlord advising Landlord that Tenant will require an audit (provided that such forty-five (45) day period within which the audit must be commenced shall be extended by the length of any delay in the commencement of the audit that is caused by Landlord) and (iii) diligently pursues such audit to completion as quickly as reasonably possible. Landlord agrees to make available to Tenant' s auditors, at Landlord' s office in the Building or at such other location in the San Francisco Bay Area as Landlord shall determine, the books and records relevant to the audit for review and copying (including accounting records on magnetic tape or diskette), but such books and records (and tapes and diskettes) may not be removed from Landlord' s offices.

Tenant shall bear all costs of such audit, including Landlord' s actual copying costs and personnel costs, if any incurred in connection with such audit (provided that, prior to incurring any personnel costs in connection with any such audit, Landlord shall advise Tenant of Landlord' s anticipated personnel costs so that Tenant may, at Tenant' s option, modify Tenant' s activities with regard to such audit in order to preclude the need for Landlord to incur such personnel costs), except that, if the audit (as conducted and certified by the auditor) shows an aggregate overstatement of Expenses of five percent (5%) or more, and Landlord' s auditors concur in such findings (or, in the absence of such concurrence, such overstatement is confirmed by a court of competent jurisdiction or such other dispute resolution mechanism as to which the parties mutually agree in writing), then Landlord shall bear all costs of the audit. If the agreed or confirmed audit shows an underpayment of Expenses by Tenant, Tenant shall pay to Landlord, within thirty (30) days after the audit is agreed to or confirmed, the amount owed to Landlord, and, if the agreed or confirmed audit shows an overpayment of Expenses by Tenant, Landlord shall reimburse Tenant for such overpayment within thirty (30) days after the audit is agreed to or confirmed.

Notwithstanding anything to the contrary set forth above, Tenant' s audit rights under this Section 4.B. shall be conditioned upon (i) Tenant having paid the total amounts billed by Landlord under this Article 4 within the time stipulated herein for payment (including, without limitation, the contested amounts) and (ii) Tenant and its auditor executing, prior to the commencement of the audit, a confidentiality agreement in form and substance reasonably satisfactory to Landlord in which Tenant and its auditor shall agree to keep confidential, and not disclose to any other party, except as required by applicable Law, the results of any such audit or any action taken by Landlord in response thereto.

**C. Personal Property and Other Taxes.** Tenant shall pay, at least ten (10) days before delinquency, any and all taxes, fees, charges or other governmental impositions levied or assessed against Landlord or Tenant (a) upon Tenant' s equipment, furniture, fixtures, and other personal property located in the Premises, (b) by virtue of any Alterations made by Tenant to the Premises, and (c) upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. If any such fee, charge or other governmental imposition is paid by Landlord, Tenant shall reimburse Landlord for Landlord' s payment upon demand.

**D. Net Lease.** This shall be a Net Lease and Monthly Rent shall be paid to Landlord absolutely net of all costs and expenses except as expressly herein provided. The provisions for Tenant' s payment of Tenant' s Share of Expenses are intended to pass on to Tenant and reimburse Landlord for Tenant' s Share of all costs and expenses associated with the Project, except as expressly provided in this Lease.

## ARTICLE 5.

## CONDITION OF PREMISES ON COMMENCEMENT DATE; ALTERATIONS AND ADDITIONS

**A. Condition of Premises on Commencement Date.** Prior to the Delivery Date, at Landlord' s sole cost and expense Landlord shall substantially complete Landlord' s Work as set forth in Section 5.E. below. Except for Landlord' s Work, the Ground Floor Lobby Work (as defined in Section 5.E. below), the Ceiling and Carpet Work (as defined in Section 5.E.), and the Meter Installation Work (as defined in Section 7.A.), Tenant shall accept the Premises on the Delivery Date in its then "as-is" condition, and Landlord shall have no obligation to make or, except as provided in Section 5.B below, pay for any alterations, additions or improvements to prepare the Premises for Tenant' s occupancy pursuant to this Lease. Neither Landlord nor Landlord' s agents have made any representations or warranties with respect to the condition of the Building, the Project, the Land, the present or future suitability or fitness of the Premises, the Building or the Project for the conduct of Tenant' s particular business, or any other matter or thing affecting or related to the Premises, the Building or the Project, and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in this Lease. Any improvements or personal property located in the Premises are delivered without any representation or warranty from Landlord, either express or implied, of any kind, including, without limitation, title, merchantability, or suitability or a particular purpose.

**B. Tenant' s Work; Landlord' s Allowance; Test Fit Allowance.** Landlord acknowledges that Tenant intends to perform certain initial Alterations (as defined in Section 5.C. below) to the Premises for Tenant' s occupancy pursuant to this Lease. Such initial Alterations are referred to herein as "**Tenant' s Work**". Tenant shall complete all of Tenant' s Work in good and workmanlike manner, by a general contractor (the "**Contractor**") and subcontractors approved by Landlord, such approval not to be unreasonably withheld or delayed, fully paid for and free from liens, in accordance with the plans and specifications approved by Landlord and Tenant, and in compliance with the provisions of Section 5.C. below. Subject to Landlord' s approval and the provisions of Section 5.C. below, Tenant, at Tenant' s sole cost and expense, shall have the right to install its own security system within the Premises, so long as such security system is compatible with the fire and life safety systems of the Building, as determined by Landlord, and as part of its security system work described above, Tenant may install key card readers in locations approved by Landlord. If Tenant installs any of the security features described above, Tenant shall provide Landlord with key cards to access such areas.

Landlord shall contribute toward the reasonable cost of the construction and installation of Tenant' s Work an aggregate amount not to exceed Landlord' s Allowance set forth in the Basic Provisions of Article 1; provided, however, that no portion of Landlord' s Allowance may be used for Monthly Rent, Additional Rent or other amounts payable pursuant to this Lease, personal property, equipment, or trade fixtures (except as hereinafter provided) or otherwise applied on account of amounts owing by Tenant to Landlord hereunder; provided, however, that a portion of the Landlord' s Allowance not in excess of Seven Dollars ($7.00) per rentable square foot of the Premises may be used by Tenant for the purchase, delivery and installation of Tenant' s furniture, fixtures, equipment and trade fixtures to be used by Tenant in the Premises.

Notwithstanding anything to the contrary in this Section 5.B., Landlord' s Allowance shall be available for disbursement pursuant to the terms hereof only until March 31, 2015. Accordingly, if any portion of Landlord' s Allowance is not requested by Tenant, together with Tenant' s delivery to Landlord of all lien releases and other documents required hereunder as a condition to Landlord' s disbursement thereof, prior to March 31, 2015, such unused portion shall be forfeited by Tenant.

If the cost of construction of Tenant' s Work exceeds the funds available therefor from Landlord' s Allowance, then Tenant shall pay all such excess (the "**Excess Cost**"). Based on the estimated cost (the "**Estimated Costs**") of the construction of Tenant' s Work, the prorata share of the Estimated Costs payable by Landlord and Tenant shall be determined and an appropriate percentage share established for each (a "**Share of Costs**"). Tenant and Landlord shall fund the cost of such work as the same is performed, in accordance with their respective Share of Costs for such work. At such time as Landlord' s Allowance with respect to Tenant' s Work has been entirely disbursed, Tenant shall pay the remaining Excess Cost, if any, which payments shall be made in installments as construction progresses in the same manner as Tenant' s payments of Tenant' s Share of Costs were paid.

Landlord shall disburse Landlord' s Allowance directly to Tenant within thirty (30) days after Landlord' s receipt of (A) invoices of Contractor furnished to Landlord by Tenant covering work actually performed, construction in place and materials delivered to the site (as may be applicable) describing in reasonable detail such work, construction and/or materials, (B) conditional lien waivers executed by Contractor, subcontractors or suppliers, as applicable, for their portion of the work covered by the requested disbursement, and (C) unconditional lien waivers executed by Contractor, subcontractors or suppliers, as applicable, for those performing the work or supplying the materials covered by Landlord' s previous disbursements for the work or materials covered by such previous disbursements (all such waivers to be in the forms prescribed by California Civil Code Sections 8132 and 8134). No payment will be made for materials or supplies not incorporated into the construction, regardless of whether the materials or supplies are located on the Premises. Landlord may withhold the amount of any and all retentions provided for in original contracts or subcontracts until expiration of the applicable lien periods or Landlord' s receipt of unconditional lien waivers and full releases upon final payment (in the form prescribed by California Civil Code Section 8138) from Tenant' s Contractor and all subcontractors and suppliers involved in Tenant' s Work. Notwithstanding anything to the contrary contained herein, in no event shall Landlord be obligated to disburse any portion of Landlord' s Allowance (i) during any period that Tenant is in breach of or in default under this Lease, or (ii) for any Tenant' s Work (or other permitted associated costs) in space Tenant intends to sublease prior to Tenant' s initial occupancy of such space for the conduct of Tenant' s business.

The Reimbursable Costs pursuant to Section 5.C. below shall be payable to Landlord with respect to Tenant' s Work; provided, however, that the Reimbursable Costs payable by Tenant to Landlord with respect to Tenant' s Work shall not exceed two percent (2%) of the total "hard" construction cost of Tenant' s Work (i.e., excluding architectural, engineering and permit fees). At the time Landlord makes any disbursement of Landlord' s Allowance, Landlord shall retain from Landlord' s Allowance, as a partial payment of the Reimbursable Costs, the Reimbursable Costs incurred to date by Landlord with respect to Tenant' s Work. At such time as Landlord' s Allowance has been entirely disbursed, Tenant shall, within thirty (30) days of Landlord' s written demand from time to time, pay to Landlord the remainder, if any, of the Reimbursable Costs theretofore due and not yet paid to Landlord. Upon completion of Tenant' s Work, Tenant shall furnish Landlord with invoices and other documentation reasonably required by Landlord to evidence the total cost of Tenant' s Work.

In addition to Landlord' s Allowance, Landlord shall reimburse Tenant up to $0.10 per rentable square foot of the Premises (i.e., $6,471.90) towards the architectural costs incurred by Tenant for a "test-fit" preliminary plan of the Premises. Landlord shall make such reimbursement to Tenant promptly after Landlord' s receipt from Tenant of the test-fit drawings.

**C. Alterations.** Tenant shall make no alterations, additions or improvements ("**Alterations**"; which term shall include Tenant' s Work) to the Premises without the prior written consent of the Landlord, which consent Landlord shall not unreasonably withhold or delay. Landlord shall either approve or disapprove any proposed contractors and plans and specifications for the Tenant Work and any Alterations within ten (10) Business Days of receipt of Tenant' s request therefor together with all information reasonably required by Landlord with respect thereto. All Alterations shall be made at Tenant' s sole cost and expense (including the expense of complying with all Laws, including those regarding Hazardous Materials, if applicable, and the Americans With Disabilities Act of 1990, as heretofore amended and as amended from time to time (the "**ADA**") and Title 24 requirements), in a good and workmanlike manner, by a contractor reasonably approved by Landlord. Tenant, at Tenant' s expense (or, at Landlord' s election, Landlord at Tenant' s expense) shall perform any work required to be performed in areas outside the Premises by reason of the Alterations. Tenant shall submit to Landlord, for Landlord' s prior written approval, complete plans and specifications for all work to be done by Tenant. Such plans and specifications shall be prepared by responsible licensed architect(s) and engineer(s) approved in writing by Landlord, shall comply with all applicable Laws, shall not adversely affect the Base Building Components (as defined in Section 12.B. below), shall be in a form sufficient to secure the approval of all government authorities with jurisdiction over the approval thereof, and shall be otherwise satisfactory to Landlord in Landlord' s reasonable discretion. Tenant shall provide Landlord advance written notice of the licensed architect(s) and engineer(s) whom Tenant proposes to engage to prepare such plans and specifications. Landlord shall notify Tenant in writing whether Landlord approves or disapproves such architect(s) and engineer(s). Landlord' s approval or consent to any such work shall not impose any liability upon Landlord, and no action taken by Landlord in connection with such approval, including, without limitation, attending construction meetings of Tenant' s contractors, shall render Tenant the agent of Landlord for purposes of constructing any Alterations. Tenant shall reimburse Landlord within thirty (30) days after Landlord' s written demand for Landlord' s reasonable out of pocket expenses in connection with any Alterations, such as additional cleaning expenses, additional security services, fees and charges paid to third party architects, engineers and other consultants for review of the work and the plans and specifications with respect thereto, and to monitor contractor compliance with Building or Project construction requirements, and for other miscellaneous reasonable out of pocket costs incurred by Landlord as result of the work (collectively, "**Reimbursable Costs**"); provided, however, that in no event shall the Reimbursable Costs for any Alteration exceed two percent (2%) of the total hard costs of such Alteration. Any Alterations, including, without limitation, moveable partitions that are affixed to the Premises (but excluding moveable, free standing partitions) and all carpeting, shall at once become part of the Building and the property of Landlord. Except as Landlord shall otherwise agree in writing as respects any particular Alterations, at Landlord' s sole election made in writing at the time the Alterations in question are consented to by Landlord (or, with respect to Cosmetic Alterations, within ten (10) Business Days after Tenant gives Landlord notice thereof), any or all Alterations made for or by Tenant shall be removed by Tenant from the Premises at the expiration or sooner termination of this

Lease and the Premises shall be restored by Tenant to their condition prior to the making of the Alterations, ordinary wear and tear excepted; provided, however, that Tenant shall not be required to remove any Alterations that are of a type and quantity that would reasonably be installed by or for a typical tenant using space for general office purposes in a normal and customary manner.

Notwithstanding the foregoing, Tenant shall have the right, without Landlord' s consent, to make any Alteration that meets all of the following criteria (a "**Cosmetic Alteration**"): (a) the Alteration is decorative in nature (such as paint, carpet or other wall or floor finishes, movable partitions or other such work), (b) at least ten (10) days prior to commencement of work with respect to such Alteration, Tenant provides Landlord with plans with respect thereto or, if the Alteration is of such a nature that formal plans will not be prepared for the work, Tenant provides Landlord with a reasonably specific written description of the work, (c) such Alteration does not affect the Base Building Components or any structural components of the Building, and such Alteration is not visible from the exterior of the Premises, (d) the work will not decrease the value of the Premises, does not require a building permit or other governmental permit, uses only new materials comparable in quality to those being replaced and is performed in a workmanlike manner and in accordance with all Laws, (e) the work does not involve opening the ceiling of the Premises, (f) the work does not involve any Hazardous Materials other than incidental quantities of the same in normal and customary construction materials, such as paint, and (g) the total cost of the Alteration, including architectural and engineering fees, if any, does not exceed Sixty-Six Thousand Dollars ($66,000.00).

Tenant hereby acknowledges that notwithstanding anything contained herein to the contrary, Landlord is not and shall not be deemed to be a "participating owner" with respect to any Alterations (including, without limitation, Tenant' s Work). Prior to commencement of any work at the Premises, Tenant shall obtain from all contractors, subcontractors, laborers, materialmen, and suppliers performing work in the Premises for Tenant a writing or writings duly executed by authorized representatives of such contractors, subcontractors, laborers, materialmen, or suppliers containing the following language or substantially identical provisions:

> "Contractor acknowledges and agrees that it is performing a work of improvement on a Tenant' s leasehold interest and agrees to limit any right to impose a mechanic' s or materialman' s lien to Tenant' s leasehold interest. Contractor further agrees that the work of improvement is not being performed at Landlord' s insistence, is not being performed for the benefit of Landlord or Landlord' s ownership (fee) interest, and that Landlord is not directing Contractor' s work. Contractor further agrees that Landlord is not participating in the work of improvement or in Tenant' s enterprise. Contractor further agrees that it will provide Landlord with written notice of commencement of work within three (3) business days following commencement, so that Landlord may timely post a Notice of Non-Responsibility. Contractor waives and relinquishes the benefit of the "participating owner" doctrine as stated in California law, and further waives and relinquishes any right it may otherwise have had to impose any mechanic' s or materialman' s lien on Landlord' s ownership interest in the property."

**D. Liens.** Tenant shall give Landlord at least ten (10) days prior written notice (or such additional time as may be necessary under applicable Laws) of the commencement of any Tenant' s Work or any other Alterations, to afford Landlord the opportunity of posting and recording notices of non-responsibility. Tenant shall not cause or permit any mechanic' s, materialman' s or similar liens or encumbrances to be filed or exist against the Premises or the Building or Tenant' s interest in this Lease in connection with work done by Tenant under this Article or in connection with any other work done by Tenant. Tenant shall remove any such lien or encumbrance by bond or otherwise within ten (10) days from the date of their existence. If Tenant fails to do so, Landlord may pay the amount or take such other action as Landlord deems necessary to remove any such lien or encumbrance, without being responsible to investigate the validity thereof. The amounts so paid and costs incurred by Landlord shall be deemed Additional Rent under this Lease and payable in full upon demand.

**E. Landlord' s Work; Ground Floor Lobby Work; Ceiling and Carpet Work.** Landlord, at Landlord' s sole cost and expense, shall substantially complete the following improvements to the Building prior to delivery of the Premises to Tenant (collectively, "**Landlord' s Work**"): (i) restrooms on both floors refreshed to include new vanities, mirrors, lighting and paint, including a shower; and (ii) such work, if any, as shall be required to put the Base Building Components (as defined in Section 12.B. below) in good working order. In addition, after delivery of the Premises to Tenant but prior to the Commencement Date, Landlord, at Landlord' s sole cost and expense, shall substantially complete a finished ground floor lobby in the Building with an adjacent unisex restroom (the "**Ground Floor Lobby Work**"). In addition, after delivery of the Premises to Tenant and within thirty (30) days after Tenant' s notice to Landlord requesting that Landlord perform the following work, Landlord, at Landlord' s sole cost and expense, shall substantially complete the following improvements to the Premises: (x) new 2' x 2' suspended ceiling on both floors of the Premises, with 2' x 4' LED lights, and with approximately 30% of the ceiling on the second floor open to the structure above with pendant LED lights; and (y) installation of carpet tile on approximately 100% of the flooring on both floors of the Premises (collectively, the "**Ceiling and Carpet Work**"). Landlord' s Work, the Ground Floor Lobby Work and the Ceiling and Carpet Work shall be constructed using Building standard materials and finishes (or such other materials and finishes as Landlord and Tenant shall agree), in a good and workmanlike manner, and in compliance with all Laws, including, without limitation, ADA and Title 24 requirements. Landlord' s Work, the Ground Floor Lobby Work, and the Ceiling and Carpet Work shall be deemed "substantially complete" when it has been completed substantially in accordance with the plans applicable thereto, subject only to completion of any incomplete or defective work or materials in Landlord' s Work, the Ground Floor Lobby Work or the Ceiling and Carpet Work, as applicable, which do not materially impair Tenant' s construction of Tenant' s Work. Tenant acknowledges that the Ground Floor Lobby Work, the Ceiling and Carpet Work, and any remaining items of Landlord' s Work may be performed by Landlord following the Delivery Date during and/or after Normal Business Hours, as Landlord shall elect. Landlord and Tenant agree to cooperate with each other in order to enable the Ground Floor Lobby Work, the Ceiling and Carpet Work and any remaining items of Landlord' s Work to be performed in a timely manner and with as little inconvenience to Tenant' s completion of the Tenant' s Work as is reasonably possible. Notwithstanding anything herein to the contrary, any delay in the completion of the Ground Floor Lobby Work, Landlord' s Work, or the Ceiling and Carpet Work or inconvenience suffered by Tenant in the Premises during the performance of the Ground Floor Work, Landlord' s Work,

or the Ceiling and Carpet Work shall not subject Landlord to any liability for any loss or damage resulting therefrom or entitle Tenant to any credit, abatement or adjustment of rent or other sums payable under the Lease, except that (I) the Rent Commencement Date shall be delayed one (1) day for each day that Tenant is actually delayed in substantial completion of Tenant' s Work as a result of Landlord' s performance of the Ground Floor Lobby Work after the Commencement Date, other than such delays attributable to Tenant Delay, and (II) the Rent Commencement Date shall be delayed one (1) day for each day that Tenant is actually delayed in substantial completion of Tenant' s Work as result of Landlord' s failure to substantially complete the Ceiling and Carpet Work within thirty (30) days after Tenant' s request that Landlord perform the same, other than delays in substantial completion of the Ceiling and Carpet Work attributable to Tenant Delay; provided that in each case of clauses (I) and (II) above Tenant shall give Landlord at least two (2) Business Days' notice of the delay in Tenant' s Work so claimed by Tenant and Landlord shall fail to alleviate the circumstances giving rise to such delay by the expiration of such two (2) Business Day period. Tenant shall upon demand reimburse Landlord for any expenses incurred by Landlord as the result of a Tenant Delay. As used herein, "**Tenant Delay**" means Tenant' s interference with Landlord' s performance of the Ground Floor Lobby Work or the Ceiling and Carpet which continues for more than two (2) Business Days after Landlord' s notice thereof to Tenant.

## ARTICLE 6.

## USE

**A. Use.** Subject to and to the extent permitted by applicable Laws, Tenant shall use the Premises for general office and administrative purposes, for research and development purposes, including computer labs, light assembly, shipping and receiving purposes, and for such other purposes as shall be permitted by applicable Laws and shall be consistent with the first class character of the Building and the Project, and for no other purpose whatsoever, subject to and in compliance with all other provisions of this Lease, including, without limitation, the Building' s Rules and Regulations attached as Exhibit B hereto. In the event of any conflict between the Rules and Regulations and the balance of this Lease, the balance of this Lease shall control. Landlord makes no representation or warranty that applicable Laws permit the Premises to be used for any of the foregoing specified purposes, and any restrictions or prohibitions on any such uses of the Premises shall not diminish Tenant' s obligation to pay Rent or perform Tenant' s other obligations under this Lease. Tenant and its invitees shall also have the non-exclusive right, along with other tenants of the Building and others authorized by Landlord, to use the Common Areas subject to such rules and regulations as Landlord in its discretion may impose from time to time. Nothing contained herein shall be deemed to give Tenant any exclusive use rights with respect to the Buildings or any other portion of the Project.

**B. Restrictions.** Tenant shall not at any time use or occupy or permit anyone to use or occupy, the Premises or do or permit anything to be done in the Premises which: (a) causes or is liable to cause injury to persons, to the Building or its equipment, facilities or systems; (b) impairs or tends to impair the character, reputation or appearance of the Building as a first class office building or the Project as a first class office project; (c) impairs or tends to impair the proper and economic maintenance, operation and repair of the Building or its equipment, facilities or systems; or (d) annoys or inconveniences or tends to annoy or inconvenience other tenants or occupants of the Building or the Project.

**C. Compliance with Laws.** Tenant shall not permit the Premises to be used in violation of or in conflict with, and at its sole cost and expense shall promptly comply with, all Laws (including, without limitation, the ADA and Title 24 requirements) insofar as any thereof relate to or affect the condition, use or occupancy of the Premises (including Alterations therein), and Tenant shall perform all work to the Premises and other portions of the Project required to effect such compliance (or, at Landlord' s election, Landlord may perform such work to portions of the Project outside of the Premises at Tenant' s expense). Notwithstanding the foregoing, however, Tenant shall not be required to perform or pay for any changes to the Base Building Components (as defined in Article 12 below) unless such changes are related to or affected or triggered by (i) Tenant' s Alterations, including Tenant' s Work, (ii) Tenant' s particular use of the Premises (as opposed to Tenant' s use of the Premises as permitted hereunder in a normal and customary manner), (iii) Tenant' s particular employees or employment practices, The judgment of any court of competent jurisdiction or the admission of Tenant in any actions against Tenant, whether Landlord be a party thereto or not, that Tenant has so violated any Law, shall be conclusive of such violation as between Landlord or Tenant.

## ARTICLE 7.

## SERVICES

**A. Utilities and Services.** Subject to the final three sentences of this Section 7. A., Landlord shall furnish the Premises with sufficient quantities of water, electricity and gas required for the normal and customary use of the Premises as permitted hereunder, twenty-four (24) hours a day, seven (7) days a week, and heating, ventilation and air conditioning services ("**HVAC**") during Normal Business Hours or such extended hours as Tenant shall request (including twenty-four (24) hours a day, seven (7) days a week if so requested by Tenant) from time to time upon reasonable prior notice to Landlord. There shall be no after-hours charge or other charge to Tenant for HVAC service after Normal Business Hours, other than Tenant' s obligation to pay for the utilities consumed by reason thereof as hereinafter set forth. Prior to the Commencement Date, Landlord, at Landlord' s sole cost and expense, shall cause the Premises to be separately sub-metered for electricity and gas (the "**Meter Installation Work**"), and Tenant shall reimburse Landlord, within thirty (30) days after Landlord' s demand from time to time (which may be on a monthly basis), for the cost of electricity and gas consumed at the Premises as measured by such sub-meters. Such sub-meters shall exclude electricity and gas consumed by the cafeteria described in Section 7.B. below, and the costs of electricity, gas, water, and other utilities consumed by the cafeteria shall be included in Operating Expenses as set forth in said Section 7.B. below. Tenant acknowledges that water serving each of the Buildings is not separately metered, but rather measured by one water meter for all of the Buildings, and the costs of water so measured shall be allocated to each Building as an Operating Expense as provided in Section 29.L. below. Except as set forth above, Tenant shall arrange for all telephone, janitorial services, and other utilities and services which it shall require in connection with its use or occupancy of the Premises and shall pay for the same by direct payment to the provider thereof, together with any taxes, penalties, surcharges or the like pertaining thereto. Except as expressly provided above, Landlord shall have no obligation to furnish any utilities or services to the

Premises or any equipment providing for the same. Tenant shall be solely responsible for any supplemental HVAC to the Premises as Tenant shall require for the comfortable occupancy thereof, and Tenant shall also be responsible for the installation, maintenance and repair of any supplemental life safety systems required by reason of Tenant' s particular equipment or particular use or manner of use of the Premises. Except as provided pursuant to Section 12.B. below, Tenant shall maintain, repair and replace all such items, operate the same, and keep the same in good working order and condition. Tenant shall not install any equipment or fixtures, or use the same, so as to exceed the safe and lawful capacity of any utility equipment or lines serving the same. The installation, alteration, replacement or connection of any utility equipment and lines, and any other equipment or systems or Alterations which Tenant shall require in order to supply supplemental HVAC or other services, shall be subject to the provisions of Section 5.C. above. Tenant shall ensure that all Tenant' s supplemental HVAC equipment, is installed and operated at all times in a manner to prevent roof leaks, damage, or noise due to vibrations or improper installation, maintenance or operation. Tenant shall obtain, at its expense all electric light bulbs, ballasts and tubes as it shall require for the Premises. Landlord shall not be liable for any damages directly or indirectly resulting from nor shall the Monthly Rent, Operating Expenses or any other monies owed by Tenant to Landlord under this Lease be abated or reduced by reason of (a) the installation, use or interruption of use of any equipment used in connection with the furnishing of any of the foregoing utilities and services, (b) failure to furnish or delay in furnishing any such utilities or services for any reason whatsoever, or (c) the limitation, curtailment, rationing or restriction on use of water, electricity, gas or any other form of energy or any other service or utility whatsoever serving the Premises or the Project. Landlord shall be entitled to cooperate voluntarily and in a reasonable manner with the efforts of national, state or local government agencies or utility suppliers in reducing energy or other resource consumption. Tenant' s utilization of utilities and services shall be subject to the limitations of any such voluntary, reasonable program that Landlord shall implement for the Project that does not require Tenant to spend any additional monies or modify Tenant' s business within the Premises as a result thereof.

**B. Cafeteria.** A cafeteria located in the Building is made available to Tenant and other tenants of the Project. The cafeteria is operated by a third party operator. The costs (including, without limitation, rental subsidies, if any, costs of electricity, gas, water and other utilities) associated with the cafeteria, whether operated by Landlord or a third party operator, shall in any event be included in Operating Expenses. The provisions of Article 9 shall fully apply in connection with use of the cafeteria by Tenant or any other Tenant Party (as defined in Article 9). Without limitation of the preceding sentence, Tenant shall hold Landlord and its agents, successors and assigns, including its Project Manager, harmless from and indemnify Landlord and its agents, successors and assigns, including its Project Manager, against any and all Claims (as defined in Article 9) to the extent arising from (a) the acts or omissions of Tenant or any other Tenant Party in, on or about the cafeteria, or (b) any accident, injury or damage, howsoever and by whomsoever caused, to any Tenant Party, occurring in, on or about the cafeteria, except to the extent caused by the gross negligence or willful misconduct of Landlord. Landlord may prescribe rules and regulations for the use of the cafeteria, including, without limitation, with respect to reservations for meetings and other functions. Tenant' s use of the cafeteria shall be conditioned upon Tenant' s observance of such rules and regulations. Tenant acknowledges that the cafeteria may, from time to time, be temporarily closed during the Term including, without limitation, closures due to (i) remodeling, improvement work or repair work, (ii) changes in the

cafeteria operator, (iii) cessation of operations by the cafeteria operator, (iv) compliance with applicable Law, (v) casualty or condemnation and (vi) matters beyond Landlord' s reasonable control. Landlord shall use its good faith efforts to reasonably address and remediate any reasonable complaints by Tenant with respect to odors emitting from the cafeteria.

**C. Interruptions.** Any interruption or discontinuance of utilities or the services and appurtenances described in this Article 7 or otherwise in this Lease shall not be deemed an eviction or disturbance of Tenant' s use and possession of the Premises, or any part thereof, nor render Landlord liable to Tenant for damages by abatement of the Rent or otherwise, nor relieve Tenant from performance of Tenant' s obligations under this Lease. Tenant hereby waives the provisions of California Civil Code Section 1932(1) or any other applicable existing or future Law permitting the termination of this Lease due to such interruption or discontinuance.

## ARTICLE 8.

## INSURANCE

**A. Tenant' s Required Insurance.** Tenant, at Tenant' s sole cost and expense, shall maintain the following insurance coverages with responsible companies licensed to do business in the state where the Building is located and reasonably satisfactory to Landlord: (i) "special form" property insurance which shall be primary (and non-contributory) on any Alterations performed by or on behalf of Tenant and Tenant' s property, including, but not limited to, its goods, equipment and inventory, in an amount adequate to cover their full replacement cost; (ii) business interruption insurance for a period of not less than two hundred seventy (270) days, (iii) commercial general liability insurance on an as occurrence basis with limits of liability in an amount not less than Five Million Dollars ($5,000,000) combined single limit for each occurrence and Five Million Dollars ($5,000,000) annual aggregate, in each case for bodily injury and property damage liability and personal injury liability, (iv) employer' s liability coverage of at least One Million Dollars ($1,000,000) per occurrence, (v) Worker' s Compensation Insurance as required by Law, and (vi) any other form of forms of insurance as any Lender of Landlord may reasonably require from time to time in form, in amounts and for insurance risks against which a prudent tenant would protect itself and which is customarily required by lenders of landlords of similar buildings located in the vicinity of the Premises. The commercial general liability policy shall include contractual liability which includes the provisions of Article 9 herein, and contain severability of interest and cross liability clauses.

On or before the Commencement Date, Tenant shall furnish to Landlord and its Project Manager, certificates and/or policies of insurance evidencing the aforesaid insurance coverages. All such policies and certificates (other than Worker' s Compensation Insurance) shall name as additional insureds Landlord, Landlord' s Project Manager, Tenant, any Lender of Landlord, and such other parties as Landlord shall reasonably require, as their respective interests may appear. Renewal certificates must be furnished to Landlord at least thirty (30) days prior to the expiration date of such insurance policies showing the above coverage to be in full force and effect.

All such insurance shall be in form reasonably satisfactory to Landlord and provide that it cannot be canceled or reduced in coverage except upon thirty (30) days prior written notice to Landlord. Tenant shall comply with all rules and directives of any insurance board, company or agency determining rates of hazard coverage for the Premises, including but not limited to the installation of any equipment and/or the correction of any condition necessary to prevent any increase in such rates.

**B. Waiver of Subrogation.** Landlord and Tenant each agree that neither Landlord nor Tenant will have any claim against the other for any loss or damage to property which is covered by the insurance carried by either party and for which recovery from such insurer is made (or for which recovery would be made if the party had carried the insurance required of it pursuant to this Lease), notwithstanding the negligence of either party in causing the loss. Each party hereto shall cause each property damage insurance policy obtained by it to provide that the insurance company waives all rights of recovery by way of subrogation against the other respective party in connection with any matter covered by such policy. For purposes hereof, any deductible amount shall be treated as though it were recoverable under such policies.

**C. Waiver of Claims.** Except for claims arising from Landlord' s willful misconduct (but subject, as to such excepted claims, to Section 8.B. above), Tenant waives all claims against Landlord for injury or death to persons, damage to property or to any other interest of Tenant sustained by Tenant or any party claiming, through Tenant resulting from: (i) any occurrence in or upon the Premises, (ii) leaking of roofs, bursting, stoppage or leaking of water, gas, sewer or steam pipes or equipment, including sprinklers, (iii) wind, rain, snow, ice, flooding, freezing, fire, explosion, earthquake, excessive heat or cold, or other casualty, (iv) the Building, Premises, or the operating and mechanical systems or equipment of the Building, being defective, or failing, and (v) vandalism, malicious mischief, theft or other acts or omissions of any other parties including without limitation, other tenants, contractors and invitees at the Building. Tenant agrees that Tenant' s property loss risks shall be borne by its insurance, and Tenant agrees to look solely to and seek recovery only from its insurance carriers in the event of such losses.

**D. Landlord' s Required Insurance.** Landlord shall obtain and keep in full force and effect during the Term, at its own cost and expense (i) commercial general liability insurance to afford protection against any and all claims for personal injury, death or property damage occurring in or upon the Common Areas or any part thereof, in such amounts as Landlord shall reasonably determine; and (ii) insurance covering the Project, excluding footings and foundations, against loss or damage by fire and such other risks and hazards as are insured under then available standard forms of fire insurance policies (excluding, at Landlord' s option, perils such as earthquake, terrorism, flood and other standard "special form" policy exclusions), for the full insurable value thereof as determined by Landlord; in each such case with deductible amounts reasonably determined by Landlord.

## ARTICLE 9.

## INDEMNIFICATION

Tenant shall indemnify, defend and hold harmless Landlord and its agents, successors and assigns, including its Project Manager, from and against all injury, loss, costs, expenses, claims or damage (including attorney' s fees and disbursements) (collectively, "**Claims**") to any person or property arising from, related to, or in connection with any use or occupancy of the Premises by, or any act or omission (including, without limitation, construction and repair of the Premises

arising out of Tenant' s Work any subsequent Alterations) of, Tenant, its agents, contractors, employees, customers, and invitees (together with Tenant, collectively, "**Tenant Parties**"), which indemnity also extends to any and all claims arising from any breach or default in the performance of any obligation on Tenant' s part to be performed under the terms of this Lease. This indemnification shall survive the expiration or termination of the Term.

Landlord shall not be liable to Tenant for any damage by or from any act or negligence of any co-tenant or other occupant of the Building, or by any owner or occupants of adjoining or contiguous property. Landlord shall not be liable for any injury or damage to persons or property resulting in whole or in part from the criminal activities or willful misconduct of others. To the extent not covered by Landlord' s special form property insurance, Tenant agrees to pay for all damage to the Building, as well as all damage to persons or property of other tenants or occupants thereof, caused by the gross negligence or willful misconduct of Tenant or any Tenant Parties. Nothing contained herein shall be construed to relieve Landlord from liability for any personal injury resulting from its gross negligence, fraud or willful misconduct.

Notwithstanding any other provision of this Lease, Landlord shall not be liable for any consequential damages or interruption or loss of business, income or profits, nor shall Landlord be liable for loss of or damage to artwork, currency, jewelry, unique or valuable documents, securities or other valuables, or for other property not in the nature of ordinary fixtures, furnishings and equipment. Wherever in this Lease Tenant (a) releases Landlord from any claim or liability, (b) waives or limits any right of Tenant to assert any claim against Landlord or to seek recourse against any property of Landlord or (c) agrees to indemnify Landlord against any matters, the relevant release, waiver, limitation or indemnity shall run in favor of and apply to Landlord, the constituent shareholders, partners or other owners of Landlord, and the directors, officers, employees and agents of Landlord and each such constituent shareholder, partner or other owner.

## ARTICLE 10.

## CASUALTY DAMAGE

Tenant shall promptly notify Landlord or the Project Manager of any fire or other casualty to the Premises or to the extent it knows of damage, to the balance of the Building. In the event the Premises or any substantial part of the Building is wholly or partially damaged or destroyed by fire or other casualty which is fully covered by Landlord' s insurance and for which such insurance proceeds are made available to Landlord by its Lender, Landlord will proceed to restore the same to substantially the same condition existing immediately prior to such damage or destruction unless such damage or destruction is incapable of repair or restoration within two hundred ten (210) days from the date of the fire or other casualty (or ninety (90) days if the fire or other casualty occurs during the final one hundred eighty (180) days of the Term), as determined by Landlord, in which event Landlord may, at Landlord' s option and by written notice given to Tenant within sixty (60) days of such damage or destruction, declare this Lease terminated as of the happening of such damage or destruction. If in Landlord' s reasonable opinion the net insurance proceeds recovered by Landlord and made available by Landlord' s Lender by reason of the damage or destruction will not be adequate to complete the restoration of the Building, Landlord shall have the right to terminate this Lease and all unaccrued obligations

of the parties hereto by sending a notice of such termination to Tenant. To the extent that, after the fire or other casualty, Tenant shall be deprived of the use and occupancy of the Premises or any portion thereof as a result of any such damage, destruction or the repair thereof, Tenant shall be relieved of the same ratable portion of the Monthly Rent hereunder as the amount of damaged or useless space in the Premises bears to the rentable square footage of the Premises until such time as the Premises may be restored; provided, however, that if Tenant or any Tenant Party caused the fire or other casualty, Monthly Rent shall not be reduced unless Tenant pays the deductible amount, if any, under Landlord' s rental loss insurance. Landlord shall reasonably determine the amount of damaged or useless space and the square footage of the Premises referenced in the prior sentence.

In the event that (i) the Premises or any of the Common Areas necessary for Tenant to use and occupy the Premises are damaged or destroyed by fire or other casualty, (ii) Landlord reasonably determines that such damage or destruction is incapable of repair or restoration within two hundred seventy (270) days from the date of the fire or other casualty (or ninety (90) days if the fire or other casualty occurs during the final one hundred eighty (180) days of the Term), and (iii) Landlord does not exercise its right to terminate this Lease pursuant to the foregoing provisions, then Tenant shall have the right to terminate this Lease as respects the applicable Building(s) by written notice to Landlord within fifteen (15) days after Tenant' s receipt of Landlord' s written notice setting forth Landlord' s estimate of the repair and restoration period. Tenant hereby waives California Civil Code Sections 1932(2) and 1933(4), providing for termination of hiring upon destruction of the thing hired and Sections 1941 and 1942, providing for repairs to and of premises.

## ARTICLE 11.

## CONDEMNATION

In the event of a condemnation or taking of the entire Premises by a public or quasi-public authority, this Lease shall terminate as of the date title vests in the public or quasi-public authority. In the event of a taking or condemnation of fifteen percent (15%) or more of the Building and without regard to whether the Premises are part of such taking or condemnation, Landlord may elect to terminate this Lease by giving notice to Tenant within sixty (60) days of Landlord receiving notice of such condemnation. All compensation awarded for any condemnation or taking shall be the property of Landlord, whether such damages shall be awarded as a compensation for diminution in the value of the leasehold or to the fee of the Premises, and Tenant hereby assigns to Landlord all of Tenant' s right, title and interest in and to any and all such compensation; provided, however that in the event this Lease is terminated as to any portion of the Premises, Tenant shall be entitled to make a separate claim for the taking of Tenant' s personal property (including fixtures paid for by Tenant), and for costs of moving. Notwithstanding anything herein to the contrary, any condemnation or taking award to Tenant shall be available only to the extent such award is payable separately to Tenant and does not diminish the award available to Landlord or any Lender of Landlord and such award shall be limited to the amount of Rent actually paid by Tenant to Landlord for the period of time for which the award is given. Any additional portion of such award shall belong to Landlord. In the event of a partial taking of the Premises which does not result in a termination of this Lease in its entirety, the Monthly Rent, Tenant' s Share and Project Share hereunder shall be equitably reduced.

Notwithstanding the foregoing, if all or any portion of the Premises is taken for a period of time of ninety (90) days or less ending prior to the end of the Term of this Lease, this Lease shall remain in full force and effect and Tenant shall continue to pay all rent and to perform all of its obligations under this Lease; provided, however, that Tenant shall be entitled to all compensation, damages, income, rent awards and interest thereon that is paid or made in connection with such temporary taking of the Premises (or portion thereof), except that any such compensation in excess of the rent or other amounts payable to Landlord hereunder shall be promptly paid over to Landlord as received. Landlord and Tenant each hereby waive the provisions of California Code of Civil Procedure Section 1265.130 and any other applicable existing or future Law providing for, or allowing either party to petition the courts of the state in which the Project is located for, a termination of this Lease upon a partial taking of the Premises and/or the Building.

## ARTICLE 12.

## REPAIR AND MAINTENANCE

**A. Tenant' s Obligations.** Except as provided in Section 12.B. below, Tenant shall keep the Premises in good working order, repair and condition (which condition shall be neat, clean and sanitary, and free of pests and rodents) and shall make all necessary repairs thereto, normal wear and tear and damage by fire or other casualty excepted. Tenant' s obligations hereunder shall include but not be limited to Tenant' s trade fixtures and equipment, security systems, signs, interior decorations, floor-coverings, wall-coverings, entry and interior doors, interior glass, light fixtures and bulbs, keys and locks, and Alterations to the Premises whether installed by Tenant or Landlord, including Tenant' s supplemental HVAC and fire and life safety systems, if any. Tenant waives all rights to make repairs at the expense of Landlord as provided by any Laws now or hereafter in effect. It is specifically understood and agreed that, except as specifically set forth in this Lease, Landlord has no obligation and has made no promises to alter, remodel, improve, repair, decorate or paint the Premises or any part thereof, and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant. Tenant hereby waives the provisions of California Civil Code Sections 1932(1), 1941 and 1942 and of any similar Law now or hereafter in effect.

**B. Landlord' s Obligations.** Landlord shall maintain in good condition and repair, reasonable wear and tear excepted, the roof, foundations, floor slabs and exterior walls of the Building, and all Building systems, including, without limitation, elevator, plumbing, HVAC, electrical, security, fire and life safety and power, and the electrical and gas sub-meters serving the Premises and the balance of the Building (collectively, the "**Base Building Components**"), except that Base Building Components shall exclude, and Tenant shall be obligated to maintain and repair, at Tenant' s sole cost and expense, any supplemental systems (including supplemental air-conditioning systems and supplemental fire and life safety systems), and equipment used in connection therewith, installed specifically for Tenant, as part of Tenant' s initial Alterations to the Premises or any subsequent Alterations. The term walls as used herein shall not include windows, glass or plate glass, doors, special store fronts or office entries. The term roof as used

herein shall not include skylights, smoke hatches or roof vents. Landlord shall also maintain in good condition and repair, reasonable wear and tear excepted, the Common Areas, including, but not limited to, the landscaped areas, parking areas, driveways and the cafeteria. Tenant shall reimburse Landlord for Landlord' s costs of complying with its obligations under this Section 12.B. in accordance with Article 4 above. Landlord shall not be liable for any failure to make repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need for such repairs or maintenance is received by Landlord from Tenant. For the purposes of this Section 12.B., Landlord shall be deemed to have let such failure persist for an unreasonable time if: Landlord does not commence to cure such failure within ten (10) Business Days of written notice thereof from Tenant (or, in the case of any failure which creates an emergency condition at the Premises and is prominently characterized as such in Tenant' s notice to Landlord, within three (3) Business Days of receipt of such notice, which may be verbal in such a case of emergency) and which is not then cured by Landlord within thirty (30) days of the date of such written notice (or in such shorter period as may be reasonably possible in the case of an emergency); provided, however, that such failure shall not be deemed an unreasonable time period if the failure cannot reasonably be cured within such thirty (30) day time period and Landlord diligently pursues such cure to completion following the expiration of such thirty (30) day period. Landlord shall make every reasonable effort to perform all such repairs or maintenance in such a manner (in its judgment) so as to cause minimum interference with Tenant and the Premises but Landlord shall not be liable to Tenant for any interruption or loss of business pertaining to such activities. Subject to Section 8.b. above, Landlord shall have the right to require that any damage caused by the willful misconduct of Tenant or any of Tenant' s agents, contractors, employees, invitees or customers, be paid for and performed by Tenant (without limiting Landlord' s other remedies herein).

**C. Signs and Obstructions.** Tenant shall not obstruct or permit the obstruction of light, halls, Common Areas, roofs, parapets, stairways or entrances to the Building or the Premises and will not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Building or the Premises, including the inside or outside of the windows or doors, without the written consent of Landlord. Landlord shall have the right to withdraw such consent at any time and to require Tenant to remove any sign, projection, awning, signal or advertisement to be affixed to the Building or the Premises.

Notwithstanding the foregoing, Tenant, at Tenant' s sole cost and expense (including, without limitation, costs and expenses to construct any such signage to the extent the same does not exist as of the date of this Lease), and subject to Tenant' s compliance with applicable Laws, shall be entitled to the following signage: (i) Tenant' s name and logo on the Project standard monument sign at the street by the Building' s driveway; (ii) directional signage outside of the Building; (iii) building signage for Tenant' s name and logo on the exterior of the Building at a mutually agreed upon location; and (iv) lobby signage in the lobby of the Building (collectively, "**Tenant' s Signage**"). Notwithstanding anything contained herein to the contrary, Landlord shall have the right to institute a new signage program for the Project that replaces all or any portion of Tenant' s Signage provided that Landlord pays for the cost of changing out such signage, in which event the term Tenant' s Signage as used herein shall mean such replacement signage and shall not include the signage that Landlord replaced. Tenant' s right to use Tenant' s Signage shall remain in place only so long as (l)the Tenant hereunder shall be the Tenant originally named in this Lease, (2) no default has occurred and is continuing under this Lease,

and (3) Tenant shall be in occupancy of at least eighty percent (80%) of the portion of the Premises located in the applicable Building to which the signage applies. Except for Tenant' s Signage, Tenant shall have no other right to maintain any signage at any other location in, on or about the Premises or the Project and shall not display or erect any sign, display or other advertising material that is visible from the exterior of the Premises, unless such signage is approved by Landlord in Landlord' s sole and absolute discretion.

Tenant' s Signage, and any changes to Tenant' s Signage, shall be subject to Landlord' s approval (not to be unreasonably withheld or delayed) as to the design, size, color, material, content, location and illumination, shall be appropriate for a first class office building in the Project, shall be in conformity with the overall design and ambiance of the Project, and shall comply with all applicable Laws. Tenant shall be responsible for obtaining any governmental permits or approvals required for Tenant' s Signage (and, if approved by Landlord, any new Tenant signage), all at Tenant' s sole cost and expense. Tenant' s repair, maintenance, construction and/or improvement of Tenant' s Signage (and, if approved by Landlord, any new Tenant signage) shall be at its sole cost and expense and shall comply with all applicable Laws, the requirements applicable to construction of Alterations pursuant to this Lease, and such other reasonable rules, procedures and requirements as Landlord shall impose with respect to such work, including insurance coverage in connection therewith. Any cost or reimbursement obligations of Tenant under this Section 12.C, including with respect to the installation, maintenance or removal of Tenant' s Signage, shall survive the expiration or earlier termination of this Lease.

Upon the expiration or earlier termination of this Lease, or the earlier termination of Tenant' s right to have Tenant' s Signage by Landlord' s written notice to Tenant by reason of Tenant' s failure to meet the occupancy or other requirements applicable thereto pursuant to the foregoing, Tenant shall remove Tenant' s Signage (and any other signage subsequently installed by Tenant) at Tenant' s sole cost and expense, and repair and restore to good condition the areas of the Building or Project on which the signage was located or that were otherwise affected by such signage or the removal thereof, or at Landlord' s election, Landlord may perform any such removal and/or repair and restoration and Tenant shall pay Landlord the reasonable cost thereof within thirty (30) days after Landlord' s demand. If any signs, projections, awnings, signals or advertisements is installed by Tenant in violation of this Section 12.C, or done by Tenant through any person, firm or corporation not approved by Landlord, Landlord shall have the right to remove such signs, projections, awnings, signals or advertisements without being liable to the Tenant by reason thereof and to charge the cost of such removal to Tenant as Additional Rent, payable within ten (10) days of Landlord' s demand therefor.

**D. Outside Services.** Tenant shall not permit, except by Landlord or a person or company satisfactory to and approved by Landlord, such approval not to be unreasonably withheld or delayed: (i) the extermination of vermin in, on or about the Premises; (ii) the servicing of heating, ventilating and air conditioning equipment; (iii) the collection of rubbish and trash other than in compliance with local government health requirements and in accordance with the rules and regulations established by Landlord, which shall minimally provide that Tenant' s rubbish and trash shall be kept in containers located so as not to be visible to members of the public and in a sanitary and neat condition; or (iv) window cleaning, janitorial services or similar work in the Premises.

## ARTICLE 13.

## INSPECTION OF PREMISES

Landlord may, at any and all reasonable times and upon reasonable advance notice (provided that no advance notice need be given if an emergency (as determined by Landlord in its good faith judgment) necessitates an immediate entry or prior to entry to provide routine services), enter the Premises to (a) inspect the same and to determine whether Tenant is in compliance with its obligations hereunder, (b) supply any service Landlord is required to provide hereunder, (c) show the Premises to prospective lenders, purchasers or tenants, (d) post notices of non-responsibility, and (e) alter, improve or repair the Premises or any other portion of the building or Project. In connection with any such alteration, improvement or repair, Landlord may erect in the Premises or elsewhere in the Project scaffolding and other structures reasonably required for the work to be performed. In no event shall such entry or work entitle Tenant to an abatement of rent, constitute an eviction of Tenant, constructive or otherwise, or impose upon Landlord any liability whatsoever, including, but not limited to, liability for consequential damages or loss of business or profits by Tenant. Landlord shall use good faith efforts to cause all such work to be done in such a manner as to cause as little interference to Tenant as reasonably possible without incurring additional expense. Landlord shall at all times retain a key with which to unlock all of the doors in the Premises, except Tenant' s vaults and safes. If an emergency necessitates immediate access to the Premises, Landlord may use whatever force is necessary to enter the Premises and any such entry to the Premises shall not constitute a forcible or unlawful entry into the Premises, a detainer of the Premises, or an eviction of Tenant from the Premises, or any portion thereof.

## ARTICLE 14.

## SURRENDER OF PREMISES

Upon the expiration of the Term, or sooner termination of this Lease, Tenant shall quit and surrender to Landlord the Premises, broom clean, in good order and condition, normal wear and tear and damage by fire and other casualty excepted, and prior to the expiration or sooner termination of this Lease Tenant shall remove from the Premises any Alterations that Tenant is required by Landlord to remove under the provisions of this Lease, and all of Tenant' s furniture, equipment and other personal property (including, without limitation, all voice and data and other wiring and cabling) and trade fixtures. Any property not removed shall be deemed to have been abandoned by Tenant and may be retained or disposed of by Landlord at Tenant' s expense free of any and all claims of Tenant, as Landlord shall desire. All property not removed from the Premises by Tenant may be handled or stored by Landlord at Tenant' s expense and Landlord shall not be liable for the value, preservation or safekeeping thereof At Landlord' s option all or part of such property may be conclusively deemed to have been conveyed by Tenant to Landlord as if by bill of sale without payment by Landlord. Neither the provisions of this Article 14 nor any other provision of this Lease shall impose upon Landlord any obligation to care for or preserve any of Tenant' s property left upon the Premises, and Tenant hereby waives and releases Landlord from any claim or liability in connection with the removal of such property from the Premises and the storage thereof and specifically waives the provisions of California Civil Code Section 1542 with respect to such release. Tenant hereby waives to the maximum extent allowable the benefit of all laws now or hereafter in force in this state or elsewhere exempting property from liability for rent or for debt.

## ARTICLE 15.

## HOLDING OVER

Tenant shall pay Landlord one hundred fifty percent (150%) of the Monthly Rent and one hundred percent (100%) of the Additional Rent payable under this Lease during the last full month prior to the date of the expiration of this Lease, prorated on a per diem basis, for each day Tenant shall retain possession of the Premises or any part thereof after expiration or earlier termination of this Lease, together with all damages sustained by Landlord on account thereof. The foregoing provisions shall not serve as permission for Tenant to hold-over, nor serve to extend the Term (although Tenant shall remain bound to comply with all provisions of this Lease until Tenant vacates the Premises) and Landlord shall have the right at any time thereafter to enter and possess the Premises and remove all property and persons therefrom. Without limitation of the foregoing, if Tenant remains in possession of the Premises after the expiration or earlier termination of this Lease, Tenant shall indemnify, defend and hold Landlord harmless from and against the following Claims incurred by or asserted against Landlord and arising from Tenant' s failure to timely surrender the Premises or any portion thereof: (i) the amount of any delayed delivery rent abatements and/or rent credits granted by Landlord to any successor tenant of the Premises or any portion thereof, and/or any amounts payable by Landlord to any such successor tenant by reason of such successor tenant' s termination of its lease as a result of Landlord' s failure to timely deliver the Premises or any portion thereof by reason of such failure by Tenant to timely surrender the Premises, and (ii) Landlord' s damages (including lost rent) as a result of such successor tenant rescinding or terminating its lease of the Premises or any portion thereof, or any prospective successor tenant refusing to enter into the prospective lease of the Premises or any portion thereof, by reason of such failure by Tenant to timely surrender the Premises; provided, however, as a condition to Tenant' s obligations under the foregoing indemnity, Landlord shall give Tenant written notice of the existence of a successor tenant or prospective successor tenant for the Premises or any portion thereof, at least thirty (30) days prior to the date Landlord shall require Tenant' s surrender of the Premises, and Tenant shall not be responsible to Landlord under the foregoing indemnity if Tenant shall surrender the Premises on or prior to the expiration of such thirty (30) day period or, if later, the Expiration Date (it being agreed, however, that Landlord need not identify the successor tenant or prospective successor tenant by name in its notice, and it being further agreed that such notice may be given by Landlord prior to the Expiration Date).

## ARTICLE 16.

## SUBLETTING AND ASSIGNMENT

**A.** Landlord' s and Tenant' s agreement with regard to Tenant' s right to transfer all or part of its interest in the Premises is as expressly set forth in this Article 16. Tenant agrees that, except upon Landlord' s prior written consent, which consent shall not (subject to Landlord' s rights below) be unreasonably withheld, neither this Lease nor all or any part of the leasehold interest created hereby shall, directly or indirectly, voluntarily or involuntarily, by operation of law or

otherwise, be assigned, mortgaged, pledged, encumbered or otherwise transferred by Tenant or Tenant' s legal representatives or successors in interest (collectively, an "**assignment**") and neither the Premises nor any part thereof shall be sublet or be used or occupied for any purpose by anyone other than Tenant (collectively, a "**sublease**"). Any assignment or subletting without Landlord' s prior written consent shall, at Landlord' s option, be void and shall constitute a default by Tenant hereunder entitling Landlord to terminate this Lease and to exercise all other remedies available to Landlord under this Lease and at law.

**B.** In the event that during the Term, Tenant desires to assign this Lease or sublease the Premises or any portion thereof, Tenant shall give notice thereof to Landlord, which notice shall name the proposed assignee or subtenant and include all material information with respect thereto, including (i) an executed copy of the assignment or sublease agreement and any agreements ancillary thereto, (ii) current financial statements of the assignee or subtenant covering the preceding three (3) years, and (iii) a statement detailing all consideration to be given on account of the assignment or sublease as well as the proposed assignment or sublease agreement, and such other information as Landlord shall reasonably require. Landlord shall not unreasonably withhold its consent to any proposed assignment or subletting. Landlord shall notify Tenant within ten (10) Business Days of Landlord' s receipt of Tenant' s notice, the above information and any other information as Landlord shall reasonably require and request of Tenant within ten (10) Business Days after receipt of Tenant' s notice, as to which of the following actions Landlord elects to take:

(1) Landlord consents to the proposed assignment or subleasing, subject to execution of Landlord' s reasonable consent form by Tenant and the proposed assignee or subtenant;

(2) Landlord declines to consent to such assignment or subletting, and stating the reasonable reasons for Landlord' s decision, such as, without limitation, insufficient or unsatisfactory documentation furnished to Landlord to establish Tenant' s reputation, financial strength and/or proposed use of and operations upon the Premises; or

(3) Landlord, (i) in the event of an assignment of this Lease, elects to terminate this Lease effective as of the date such assignment would have become effective (and such termination date shall become the Expiration Date for purposes of this Lease), or (ii) in the event of a sublease, to terminate this Lease as it pertains to the portion of the Premises so proposed by Tenant to be sublet effective as of the date such sublease would have become effective (and such termination date shall become the Expiration Date for purposes of this Lease with respect to such portion of the Premises).

By way of example and without limitation, the failure to satisfy any of the following conditions or standards shall be deemed to constitute reasonable grounds for Landlord to refuse to grant its consent to a proposed assignment or subletting ("**Transfer**"):

(i) The proposed assignee or sublessee ("**Transferee**") must expressly assume all of the provisions, covenants and conditions of this Lease on the part of Tenant to be kept and performed as they apply to the transferred space.

(ii) The proposed Transferee must satisfy Landlord' s then-current credit and other standards for tenants of the Building and, in Landlord' s reasonable opinion, have the financial strength and stability to perform all of the obligations of the Tenant under this Lease (as they apply to the transferred space) as and when they fall due, taking into account for purposes of the foregoing that Tenant shall not be released or discharged from any liability under this Lease following such Transfer.

(iii) The proposed Transferee must be reasonably satisfactory to Landlord as to character and professional standing.

(iv) The proposed use of the Premises by the proposed Transferee must be, in Landlord' s reasonable opinion: (a) lawful; (b) in compliance with Article 6 of this Lease; (c) unlikely to cause an increase in insurance premiums for insurance policies applicable to the Building; (d) a use not requiring any new tenant improvements that Landlord would be entitled to disapprove pursuant to Article 5 hereof; (e) unlikely to cause any material increase in services to be provided to the Premises; (f) unlikely to create any materially increased burden in the operation of the Building, or in the operation of any of its facilities or equipment; (g) unlikely to impair the dignity, reputation or character of the Building; and (h) in the case of any Building not then configured for multi-tenant occupancy, not require the Building to be reconfigured as a multi-tenant Building and not require creation of any new Common Areas or multi-tenant corridors in the Building.

(v) At the time of the proposed Transfer, a default (as defined in Article 19 below) shall not have occurred and be continuing, and no event may have occurred that with notice, the passage of time, or both, would become a default.

(vi) The proposed Transferee shall not be a governmental entity or hold any exemption from the payment of ad valorem or other taxes that would prohibit Landlord from collecting from such Transferee any amounts otherwise payable under this Lease.

(vii) The proposed Transferee shall not be a then present tenant or affiliate or subsidiary of a then present tenant in the Building unless there is no other suitable space available in the Building.

(viii) Landlord shall not be negotiating with, and shall not have at any time within the past ninety (90) days negotiated with, the proposed Transferee or any affiliate or subsidiary thereof for space in the Project, unless there is no other suitable space available in the Project. For purposes of this subjection (viii), "negotiations" shall mean the exchange of draft letters of intent or a proposal and counter-proposal.

(ix) The proposed Transferee is an entity or related to an entity with whom Landlord or any affiliate of Landlord has had adverse dealings or is a competitor of Landlord or any affiliate of Landlord.

**C.** In the event that Landlord shall consent to any assignment or sublease, Landlord shall be entitled to receive, as Rent hereunder, fifty percent (50%) of any consideration (including, without limitation, payment for leasehold improvements) paid by the assignee or subtenant for the assignment or sublease and, in the case of a sublease, the excess of the amount of rent paid for the sublet space by the subtenant over the amount of Monthly Rent, Taxes and Operating Expenses payable by Tenant and attributable to the sublet space for the corresponding month; except that Tenant may first recapture any reasonable brokerage commissions paid by Tenant in connection with the subletting or assignment, reasonable marketing costs paid by Tenant in connection with the subletting or assignment, reasonable attorneys' fees in connection with the subletting or assignment, any improvement allowance paid by Tenant to the subtenant or assignee and any improvement costs incurred by Tenant specifically to prepare the space for such assignment or subletting. Upon Landlord' s request during the continuance of any default by Tenant under this Lease, Tenant shall assign to Landlord all amounts to be paid to Tenant by any such subtenant or assignee and that belong to Landlord and shall direct such subtenant or assignee to pay the same directly to Landlord. If there is more than one sublease under this Lease, the amounts (if any) to be paid by Tenant to Landlord pursuant to this Article 16 shall be separately calculated for each sublease and amounts due Landlord with regard to any one sublease may not be offset against rental and other consideration pertaining to or due under any other sublease.

**D.** For purposes of this Article 16 (subject to Section 16.G. below), the following events shall be deemed an assignment or sublease, as appropriate: (i) the issuance of equity interests (whether stock, partnership interests or otherwise) in Tenant or any subtenant or assignee, or any entity controlling any of them, to any person or group of related persons, in a single transaction or a series of related or unrelated transactions, such that, following such issuance, such person or group shall have Control (as defined below) of Tenant or any subtenant or assignee; (ii) a transfer of Control of Tenant or any subtenant or assignee, or any entity controlling any of them, in a single transaction or a series of related or unrelated transactions (including, without limitation, by consolidation, merger, acquisition or reorganization), except that the transfer of outstanding capital stock or other listed equity interests through the "over the counter" market or any recognized national or international securities exchange (including transfers and issuances as part of an initial public offering of Tenant' s stock), shall not be included in determining whether Control has been transferred; (iii) a reduction of Tenant' s assets to the point that this Lease is substantially Tenant' s only asset; (iv) a change or conversion in the form of entity of Tenant, any subtenant or assignee, or any entity controlling any of them, which has the effect of limiting the liability of any of the partners, members or other owners of such entity; or (v) the agreement by a third party to assume, take over, or reimburse Tenant for, any or all of Tenant' s obligations under this Lease, in order to induce Tenant to lease space with such third party. For purposes of this paragraph, "**Control**" shall mean direct or indirect ownership of more than fifty percent (50%) of all of the voting stock of a corporation or more than fifty percent (50%) of the legal or equitable interest in any other business entity, or the power to direct the operations of any entity (by equity ownership, contract or otherwise).

**E.** Whether or not Landlord shall consent to any proposed assignment or sublease, upon demand Tenant shall reimburse Landlord for all reasonable attorneys' fees and expenses incurred by Landlord in connection with the proposed assignment or sublease. If Tenant claims or asserts that Landlord has failed to grant any approval required of it pursuant to this Article 16 or otherwise violated or failed to perform its obligations under this Article 16, Tenant' s sole remedy shall be an action for specific performance, declaratory judgment or injunction and in no event shall Tenant be entitled to any money damages in any action or by way of set off, defense or counterclaim and Tenant hereby specifically waives the right to any money damages or other such remedies for any such failure or violation.

**F.** In no case may Tenant assign Tenant' s Signage, any renewal, expansion, rights of first offer or other options under this Lease to any sublessee(s) hereunder or assignees hereof, all such options being deemed personal to the Tenant originally named under this Lease. Consent by Landlord hereunder shall in no way operate as a waiver by Landlord of, or to release or discharge Tenant from, any liability under this Lease or be construed to relieve Tenant from obtaining Landlord' s consent to any subsequent assignment, subletting, transfer, use or occupancy.

**G.** Notwithstanding anything to the contrary in this Article 16, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord' s consent, to any partnership, corporation or other entity that controls, is controlled by, or is under common control with Tenant or Tenant' s parent (control being defined for such purposes as ownership of at least fifty percent (50%) of the equity interests in, and the power to direct the management of, the relevant entity) or to any partnership, corporation or other entity resulting from a merger or consolidation with Tenant or Tenant' s parent, or to any person or entity that acquires substantially all the assets (including by means of a purchase of all or substantially all of Tenant' s stock, any such purchaser being a "**Stock Purchaser**") of Tenant as a going concern (collectively, an "**Affiliate**"), provided that (i) Landlord receives at least ten (10) days' prior written notice of an assignment or subletting, together with evidence reasonably satisfactory to Landlord that the requirements of this paragraph have been met (and if such assignment or subletting is subject to a confidentiality obligation on Tenant' s part, upon Tenant' s request Landlord shall execute a reasonable form of confidentiality agreement with respect thereto), (ii) the Affiliate' s tangible net worth (other than in the case of an Affiliate that is a Stock Purchaser, in which case the following net worth test shall be applied to Tenant rather than the Affiliate) is not less than Ninety-Five Million Dollars ($95,000,000.00), (iii) except in the case of an assignment where the assignor is dissolved as a matter of law following the series of transactions of which the assignment is a part and where such assignor makes sufficient reserves for contingent liabilities (including its obligations under this Lease) as required by applicable Law, the Affiliate remains an Affiliate for the duration of the subletting or the balance of the Term in the event of an assignment, (iv) the Affiliate assumes (in the event of an assignment) in writing all of Tenant' s obligations under this Lease, (v) Landlord receives a fully executed copy of an assignment or sublease agreement between Tenant and the Affiliate at least ten (10) days prior to the effective date of such assignment or sublease (and if such assignment or subletting is subject to a confidentiality obligation on Tenant' s part, upon Tenant' s request Landlord shall execute a reasonable form of confidentiality agreement with respect thereto) or, in the case of an assignment by merger or stock purchase, such later date (but no later than the effective date of the assignment) on which the assignment agreement (which may be the merger agreement or the stock purchase agreement if the assignment is effected by means thereof) is executed by the parties thereto, and (vi) in the case of an assignment, the essential purpose of such assignment is to transfer an active, ongoing business with substantial assets in addition to this Lease, and in the case of an assignment or sublease the transaction is for legitimate business purposes unrelated to this Lease and the transaction is not a subterfuge by Tenant to avoid its obligations under this Lease or the restrictions on assignment and subletting contained herein.

## ARTICLE 17.

## SUBORDINATION, ATTORNMENT AND MORTGAGEE PROTECTION

This Lease is subject and subordinate to all Mortgages now or hereafter placed upon the Building, and all other encumbrances and matters of public record applicable to the Building, including without limitation, any reciprocal easement or operating agreements, covenants, conditions and restrictions and Tenant shall not act or permit the Premises to be operated by Tenant or any Tenant Parties in violation thereof. If any foreclosure or power of sale proceedings are initiated by any Lender or a deed in lieu is granted (or if any ground lease is terminated), Tenant agrees, if any such Lender or any purchaser at such foreclosure sale shall acquire and accept the Building subject to this Lease, to attorn and pay Rent to such party and to execute and deliver any instruments necessary or appropriate to evidence or effectuate such attornment. In the event of attornment, no Lender shall be: (i) liable for any act or omission of Landlord, or subject to any offsets or defenses which Tenant might have against Landlord (prior to such Lender becoming Landlord under such attornment), (ii) liable for any security deposit or bound by any prepaid Rent not actually received by such Lender, or (iii) obligated to complete any alterations or improvements to be performed by Landlord or Tenant hereunder, or to pay for or otherwise disburse any tenant improvement allowance or other funds towards any alterations or improvements to be performed by Tenant hereunder, or (iv) bound by any modification of this Lease after the date of the Lender' s Mortgage not consented to by such Lender. Any Lender may elect to make this Lease prior to the lien of its Mortgage, and if the Lender under any prior Mortgage shall require, this Lease shall be prior to any subordinate Mortgage; such elections shall be effective upon written notice to Tenant. Upon request of any such Lender or purchaser, including any such request made by reason of the termination of this Lease as a result of such foreclosure or other proceedings, Tenant shall enter into a new lease with such Lender or purchaser on the terms and conditions of this Lease applicable to the remainder of the term hereof. Tenant agrees to give any Lender by certified mail, return receipt requested, or overnight delivery service, a copy of any notice of default served by Tenant upon Landlord, provided that prior to such notice Tenant has been notified in writing (by way of service on Tenant of a copy of an assignment of leases, or otherwise) of the name and address of such Lender. Tenant further agrees that if Landlord shall have failed to cure such default within the time permitted Landlord for cure under this Lease, any such Lender whose address has been so provided to Tenant shall have an additional period of thirty (30) days in which to cure (or such additional time as may be required due to causes beyond such Lender' s control, including time to obtain possession of the Building by power of sale or judicial action or deed in lieu of foreclosure). The provisions of this Article shall be self-operative; however, Tenant shall execute such documentation as Landlord or any Lender may request from time to time in order to confirm the matters set forth in this Article in recordable form. To the extent not expressly prohibited by Law, Tenant waives the provisions of any Law now or hereafter adopted which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease or Tenant' s obligations hereunder if such foreclosure or power of sale proceedings are initiated, prosecuted or completed.

Notwithstanding the above, concurrently with the parties execution of this Lease, Landlord shall deliver to Tenant a "non-disturbance agreement" in favor of Tenant, executed by Landlord' s current Lender, providing that if Tenant is not in default under this Lease beyond any applicable

grace period, such party will recognize this Lease and Tenant' s rights hereunder and will not disturb Tenant' s possession hereunder, and if this Lease is by operation of law terminated in a foreclosure, that a new lease will be entered into on the same terms as this Lease for the remaining term hereof.

## ARTICLE 18.

## ESTOPPEL CERTIFICATE

Tenant shall from time to time, upon written request by Landlord or Lender, deliver to Landlord or Lender, within ten (10) days after Tenant' s receipt of such request, a statement in writing certifying the commencement date of this Lease, stating that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and the date and nature of each such modification), that to the best of Tenant' s knowledge Landlord is not in default under this Lease (or, if Landlord is in default, specifying the nature of such default), that to the best of Tenant' s knowledge Tenant is not in default under this Lease (or if Tenant is in default, specifying the nature of such default), the current amounts of and the dates to which the Monthly Rent and Additional Rent has been paid, the current outstanding amounts of any tenant improvement allowances and setting forth such other matters as may be reasonably requested by Landlord. Any such statement may be conclusively relied upon by a prospective purchaser of the Premises or by a lender obtaining a lien on the Premises as security. Tenant acknowledges and agrees that its failure to execute such certificate may cause Landlord serious financial damage by causing the failure of a sale or financing transaction and giving Landlord all of its rights and remedies under Article 20 below, including its right to damages caused by the loss of such sale or financing.

## ARTICLE 19.

## DEFAULTS

If Tenant: (i) fails to pay when due any installment or other payment of Monthly Rent, Taxes, Operating Expenses, or other Rent, and such failure continues for five (5) days after written notice thereof from Landlord, except that Landlord shall only be required to give two (2) such notices in any calendar year, and after such two (2) notices are given any failure by Tenant in such calendar year to pay any such amount when due shall itself constitute a default, without the requirement of notice from Landlord of such failure, or Tenant fails to keep in effect any insurance required to be maintained hereunder and such failure continues for five (5) days after notice thereof from Landlord; or (ii) abandons the Premises (Tenant' s mere vacating of the Premises during the Term shall not constitute a default under this Lease so long as Tenant continues to pay Monthly Rent, Taxes, Operating Expenses, and other Rent due Landlord under this Lease, maintains the insurance coverage required of it pursuant to this Lease and Tenant otherwise continues to perform its obligations under this Lease, and so long as Tenant provides Landlord with written notice of an alternate address for notices to Tenant under this Lease (other than the Premises) if such vacancy exceeds thirty (30) consecutive days); or (iii) assigns this Lease or subleases all or any portion of the Premises in violation of Article 16 above; or (iv) becomes insolvent, makes an assignment for the benefit of creditors, files a voluntary bankruptcy or an involuntary petition in bankruptcy is filed against Tenant which petition is not

dismissed within forty-five (45) days of its filing, or a trustee or receiver is appointed to take possession of all or substantially all of Tenant' s assets located at the Premises or of Tenant' s interests in this Lease, where possession is not restored to Tenant within thirty (30) days; or (v) fails to perform or observe any of the other covenants, conditions or agreements contained herein on Tenant' s part to be kept or performed and such failure shall continue for twenty (20) days after notice thereof given by or on behalf of Landlord (or if the noncompliance cannot by its nature be cured within the twenty (20) day period, if Tenant fails to commence to cure such noncompliance within the twenty (20) day period and thereafter diligently prosecute such cure to completion, and completes such cure within an additional ninety (90) days thereafter); or (vi) if the interest of Tenant hereunder shall be offered for sale or sold under execution or other legal process, or if Tenant makes any transfer, assignment, conveyance, sale, pledge, disposition of all or a substantial portion of Tenant' s property; then any such event or conduct shall constitute a "default" hereunder.

In no event shall Landlord be deemed to be in default under this Lease unless Landlord fails to perform its obligations under this Lease, Tenant delivers to Landlord written notice specifying the nature of Landlord' s alleged default, and Landlord fails to cure such default within thirty (30) days following receipt of such notice (or, if the default cannot reasonably be cured within such period, to commence action within such thirty (30)-day period and proceed diligently thereafter to cure such default). In addition, Tenant shall send notice of such default by certified mail, return receipt request, or overnight delivery service, to the holder of any Mortgage whose address Tenant has been notified of in writing, and shall afford the holder of any such Mortgage the period specified in Article 17 above to cure any alleged default on Landlord' s behalf.

## ARTICLE 20.

## REMEDIES OF LANDLORD

Upon the occurrence of a default by Tenant, Landlord shall have the following remedies, which shall not be exclusive but shall be cumulative and shall be in addition to any other remedies now or hereafter allowed by law or equity:

(1) Landlord may terminate Tenant' s right to possession of the Premises at any time by written notice to Tenant. Tenant expressly acknowledges that in the absence of such written notice from Landlord, no other act of Landlord, including, but not limited to, its re-entry into the Premises, its efforts to relet the Premises, its reletting of the Premises for Tenant' s account, its storage of Tenant' s personal property and trade fixtures, its acceptance of keys to the Premises from Tenant, its appointment of a receiver, or its exercise of any other rights and remedies under this Article 20 or otherwise at law, shall constitute an acceptance of Tenant' s surrender of the Premises or constitute a termination of this Lease or of Tenant' s right to possession of the Premises.

Upon such termination in writing of Tenant' s right to possession of the Premises, this Lease shall terminate and Landlord shall be entitled to recover damages from Tenant as provided in California Civil Code Section 1951.2 or any other applicable existing or future Law providing for recovery of damages for such breach, including but not limited to the following:

(i) The reasonable cost of recovering the Premises; plus

(ii) The reasonable cost of removing Tenant' s alterations, trade fixtures and improvements; plus

(iii) All unpaid rent due or earned hereunder prior to the date of termination, less the proceeds of any reletting or any rental received from subtenants prior to the date of termination applied as provided in Section 2 below, together with interest at the Default Rate, on such sums from the date such rent is due and payable until the date of the award of damages; plus

(iv) The amount by which the rent which would be payable by Tenant hereunder, including Additional Rent under Article 4 above, as reasonably estimated by Landlord, from the date of termination until the date of the award of damages, exceeds the amount of such rental loss as Tenant proves could have been reasonably avoided, together with interest at the Default Rate on such sums from the date such rent is due and payable until the date of the award of damages; plus

(v) The amount by which the rent which would be payable by Tenant hereunder, including Additional Rent under Article 4 above, as reasonably estimated by Landlord, for the remainder of the then Term, after the date of the award of damages exceeds the amount such rental loss as Tenant proves could have been reasonably avoided, discounted at the discount rate published by the Federal Reserve Bank of San Francisco for member banks at the time of the award plus one percent (1%); plus

(vi) Such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable Law, including without limitation any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant' s failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

(2) Landlord has the remedy described in California Civil Code Section 1951.4 (a landlord may continue the lease in effect after the tenant' s breach and abandonment and recover rent as it becomes due, if the tenant has the right to sublet and assign subject only to reasonable limitations), and may continue this Lease in full force and effect and may enforce all of its rights and remedies under this Lease, including, but not limited to, the right to recover rent as it becomes due. After the occurrence of a default, Landlord may enter the Premises without terminating this Lease and sublet all or any part of the Premises for Tenant' s account to any person, for such term (which may be a period beyond the remaining term of this Lease), at such rents and on such other terms and conditions as Landlord deems advisable. In the event of any such subletting, rents received by Landlord from such subletting shall be applied (i) first, to the payment of the costs of maintaining, preserving, altering and preparing the Premises for subletting, the other costs of subletting, including but not limited to brokers' commissions, attorneys' fees and expenses of removal of Tenant' s personal property, trade fixtures and Alterations; (ii) second, to the payment of rent then due and payable hereunder; (iii) third, to the payment of future rent as the same may become due and payable hereunder; (iv) fourth, the balance, if any, shall be paid to Tenant upon (but not before) expiration of the term of this Lease.

If the rents received by Landlord from such subletting, after application as provided above, are insufficient in any month to pay the rent due and payable hereunder for such month, Tenant shall pay such deficiency to Landlord monthly upon demand. Notwithstanding any such subletting for Tenant' s account without termination, Landlord may at any time thereafter, by written notice to Tenant, elect to terminate this Lease by virtue of a previous default.

(3) During the continuance of a default, to the extent permitted by applicable Law, Landlord may enter the Premises without terminating this Lease and remove all Tenant' s personal property, Alterations and trade fixtures from the Premises and store them at Tenant' s risk and expense. If Landlord removes such property from the Premises and stores it at Tenant' s risk and expense, and if Tenant fails to pay the cost of such removal and storage after written demand therefor and/or to pay any rent then due, then after the property has been stored for a period of thirty (30) days or more Landlord may sell such property at public or private sale, in the manner and at such times and places as Landlord deems commercially reasonable following reasonable notice to Tenant of the time and place of such sale. The proceeds of any such sale shall be applied first to the payment of the expenses for removal and storage of the property, the preparation for and the conducting of such sale, and for attorneys' fees and other legal expenses incurred by Landlord in connection therewith, and the balance shall be applied as provided in Section 2 above.

Tenant hereby waives all claims for damages that may be caused by Landlord' s reentering and taking possession of the Premises or removing and storing Tenant' s personal property pursuant to this Article, and Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, losses, liability or expense resulting from any such act. No reentry by Landlord shall constitute or be construed as a forcible entry by Landlord.

(4) Upon termination of Tenant' s right to possession of the Premises, Landlord may require Tenant to remove any and all Alterations from the Premises that Tenant is otherwise required to remove pursuant to this Lease, or, if Tenant fails to do so within ten (10) days after Landlord' s request, Landlord may do so at Tenant' s expense.

(5) Landlord may cure the default at Tenant' s expense, it being understood that such performance shall not waive or cure the subject default. If Landlord pays any sum or incurs any expense in curing the default, Tenant shall reimburse Landlord upon demand for the amount of such payment or expense with interest at the Default Rate from the date the sum is paid or the expense is incurred until Landlord is reimbursed by Tenant. Any amount due Landlord under this subsection shall constitute additional rent hereunder.

Tenant hereby waives, for itself and all persons claiming by and under Tenant, all rights and privileges which it might have under any present or future Law to redeem the Premises or to continue this Lease after being dispossessed or ejected from the Premises.

## ARTICLE 21.

## QUIET ENJOYMENT

Landlord covenants and agrees with Tenant that so long as Tenant pays the Rent and observes and performs all the terms, covenants, and conditions of this Lease on Tenant' s part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises subject, nevertheless, to the terms and conditions of this Lease, and Tenant' s possession will not be disturbed by anyone claiming by, through, or under Landlord.

## ARTICLE 22.

## ACCORD AND SATISFACTION

No payment by Tenant or receipt by Landlord of an amount less than full payment of Rent then due and payable shall be deemed to be other than on account of the Rent then due and payable, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord' s right to recover the balance of such Rent or pursue any other remedy provided for in this Lease or available at law or in equity.

## ARTICLE 23.

## LETTER OF CREDIT

As security for the performance by Tenant of Tenant' s obligations hereunder, Tenant shall cause to be delivered to Landlord concurrently with the execution of this Lease by Tenant, an original irrevocable standby letter of credit (the "**Letter of Credit**") in the amount specified in Article 1 above, naming Landlord as beneficiary, which Landlord may draw upon to cure any default under this Lease or to compensate Landlord for any damage Landlord incurs as a result of Tenant' s failure to perform any of its obligations hereunder. Any such draw on the Letter of Credit shall not constitute a waiver of any other rights of Landlord with respect to such default or failure to perform. The Letter of Credit shall be issued by a major commercial bank reasonably acceptable to Landlord, with a San Francisco, California, or New York, New York, service and claim point for the Letter of Credit, have an expiration date not earlier than the sixtieth (60th) day after the Expiration Date (or, in the alternative, have a term of not less than one (1) year and be automatically renewable for an additional one (1) year period unless notice of non-renewal is given by the issuer to Landlord not later than sixty (60) days prior to the expiration thereof) and shall provide that Landlord may make partial and multiple draws thereunder, up to the face amount thereof. In addition, the Letter of Credit shall provide that, in the event of Landlord' s assignment or other transfer of its interest in this Lease, the Letter of Credit shall be freely transferable by Landlord to the assignee or transferee of such interest and the bank shall confirm the same to Landlord and such assignee or transferee provided that Landlord pays the issuing bank' s reasonable standard fee for any such transfer. The Letter of Credit shall provide for payment to Landlord upon the issuer' s receipt of a sight draft from Landlord together with Landlord' s certificate certifying that Landlord is entitled to such payment pursuant to the provisions of this Lease, and with no other conditions, shall be in the form attached hereto as

Exhibit D, or such other form as Landlord shall approve, and otherwise be in form and content satisfactory to Landlord. If the Letter of Credit has an expiration date earlier than the Expiration Date, then throughout the term hereof (including any renewal or extension of the term) Tenant shall provide evidence of renewal of the Letter of Credit to Landlord at least thirty (30) days prior to the date the Letter of Credit expires. If Landlord draws on the Letter of Credit pursuant to the terms hereof, Tenant shall immediately replenish the Letter of Credit or provide Landlord with an additional letter of credit conforming to the requirement of this paragraph so that the amount available to Landlord from the Letter of Credit(s) provided hereunder is the amount specified in Article 1 above. Tenant' s failure to deliver any replacement, additional or extension of the Letter of Credit, or evidence of renewal of the Letter of Credit, within the time specified under this Lease shall entitle Landlord to draw upon the Letter of Credit then in effect and, at Landlord' s election, constitute a default under this Lease. If Landlord liquidates the Letter of Credit as provided in the preceding sentence, Landlord shall hold the funds received from the Letter of Credit as security for Tenant' s performance under this Lease, and Landlord shall not be required to segregate such security deposit from its other funds and no interest shall accrue or be payable to Tenant with respect thereto. No holder of a Mortgage, nor any purchaser at any judicial or private foreclosure sale of the Project or any portion thereof, shall be responsible to Tenant for such security deposit unless and only to the extent such holder or purchaser shall have actually received the same. If Tenant is not in default at the expiration or termination of this Lease, Landlord shall return to Tenant the Letter of Credit or the balance of the security deposit then held by Landlord, as applicable; provided, however, that in no event shall any such return be construed as an admission by Landlord that Tenant has performed all of its covenants and obligations hereunder. Tenant hereby unconditionally and irrevocably waives the benefits and protections of California Civil Code Section 1950.7, and, without limitation of the scope of such waiver, acknowledges that Landlord may use all or any part of the Letter of Credit or the proceeds thereof to compensate Landlord for damages resulting from termination of this Lease and the tenancy created hereunder (including, without limitation, damages recoverable under California Civil Code Section 1951.2).

## ARTICLE 24.

## BROKERAGE COMMISSION

Tenant represents and warrants to Landlord that (except with respect to the Broker identified in Article 1) no broker, agent, commission salesperson, or other person has represented Tenant in the negotiations for and procurement of this Lease and of the Premises and that no commissions, fees, or compensation of any kind are due and payable in connection herewith to any broker, agent commission salesperson, or other person that has represented Tenant in connection with this Lease. Tenant agrees to indemnify Landlord and hold Landlord harmless from any and all claims, suits, or judgments (including, without limitation, reasonable attorneys' fees and court costs incurred in connection with any such claims, suits, or judgments, or in connection with the enforcement of this indemnity) for any fees, commissions, or compensation of any kind which arise out of or are in any way connected with any claimed agency relationship with Tenant not referenced in Article 1. Pursuant to separate agreement(s), Landlord shall pay the Brokers identified in Article 1 any fee, commission or other compensation payable to them by reason of Tenant entering into this Lease.

## ARTICLE 25.

## FORCE MAJEURE

Landlord shall be excused for the period of any delay in the performance of any obligation hereunder when prevented from so doing by a cause or causes beyond its control, including all labor disputes, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, fire or other casualty, inability to obtain any material, services or financing, or through acts of God.

## ARTICLE 26.

## PARKING

**A.** The use by Tenant, is employees and invitees, of the parking facilities of the Project shall be on the terms and conditions set forth in Exhibit B attached hereto and shall be subject to such other agreement between Landlord and Tenant as may hereinafter be established, and to such other reasonable rules and regulations as Landlord may establish. Tenant, its employees and invitees shall use no more than 3.25 non-exclusive parking spaces per one thousand (1,000) rentable square feet of the Premises (i.e., 210 parking spaces based on the rentable square footage of the Premises as originally set forth in this Lease). During the ten (10) month period following the Commencement Date, Landlord may provide up to 102 of the parking spaces offsite from the Project, provided that Landlord shall make reasonable parking valet service available to Tenant at Landlord' s cost. After the expiration of such ten (10) month period, all of the parking spaces to be made available to Tenant under this Section 26.A shall be confined to the Project. Tenant acknowledges that other tenants of the Project and the tenants of the other buildings, their employees and invitees, may be given the right to park at the Project. Except to the extent included in Operating Expenses, there shall be no additional charge to Tenant during the Term for the parking rights set forth in this Section 26.A.

**B.** Landlord, at its sole election, may designate the types and locations of parking spaces within the parking facilities which Tenant shall be allowed to use. Landlord shall have the right, at Landlord' s sole election, to change said types and locations from time to time; provided, however, such designation shall be uniformly applied and shall not unfairly favor any tenant in the Project (subject to any other tenant rights in place prior to the date of this Lease); and provided, further, however, that in any event, and notwithstanding the prior rights of any tenant of the Project, the parking spaces made available for use by Tenant hereunder (other than the offsite spaces pursuant to Section 26.A. above) shall be in reasonable proximity to the entrance to the Building, well-lighted and paved, and comprise no more compact spaces than is proportional for the entire Project.

**C.** If requested by Landlord, Tenant shall notify Landlord of the license plate number, year, make and model of the automobiles entitled to use the parking facilities and if requested by Landlord, such automobiles shall be identified by automobile window stickers provided by Landlord, and only such designated automobiles shall be permitted to use the parking facilities. If Landlord institutes such an identification procedure, Landlord may provide additional procedures for identifying permitted use of the parking facilities by customers and invitees of Tenant.

**D.** Landlord assumes no responsibility or liability of any kind whatsoever from whatever cause with respect to the automobile parking areas, including adjoining streets, sidewalks, driveways, property and passageways, or the use thereof by Tenant or Tenant' s employees, customers, agents, contractors or invitees.

**E.** In addition to the parking made available to Tenant pursuant to Section 26.A. above, Landlord shall endeavor to cooperate with Tenant, at Tenant' s cost, to accommodate Tenant' s need for additional parking so as to provide Tenant with 360 total parking spaces pursuant to Section 26.A above and this Section 26.E. Notwithstanding the foregoing, Landlord shall incur no liability for Landlord' s failure to accommodate Tenant' s need for the additional parking spaces, nor shall such failure be deemed a default under the Lease.

## ARTICLE 27.

## HAZARDOUS MATERIALS

**A. Definition of Hazardous Materials.** The term "**Hazardous Materials**" for purposes hereof shall mean any chemical, substance, materials or waste or component thereof which is now or hereafter listed, defined or regulated as a hazardous or toxic chemical, substance, materials or waste or component thereof by any federal, state or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by any such body, or for which any such body has adopted any requirements for the preparation or distribution of a materials safety data sheet ("**MSDS**").

**B. No Hazardous Materials.** Tenant shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any Hazardous Materials in, on, under, or about the Premises or the balance of the Project. However, the foregoing provisions shall not prohibit the transportation to and from, and use, storage, maintenance and handling within the Premises of Hazardous Materials customarily used in the business or activity expressly permitted to be undertaken in the Premises under Article 6, provided: (a) such Hazardous Materials shall be used and maintained only in such quantities as are reasonably necessary for such permitted use of the Premises and the ordinary course of Tenant' s business therein, strictly in accordance with applicable Law, prevailing standards, and the manufacturers' instructions therefor, (b) such Hazardous Materials shall not be disposed of, released or discharged in the Building, and shall be transported to and from the Premises in compliance with all applicable Laws, and as Landlord shall reasonably require, (c) if any applicable Law or the trash removal contractor requires that any such Hazardous Materials be disposed of separately from ordinary trash, Tenant shall make arrangements at Tenant' s expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site (subject to scheduling and approval by Landlord), and (d) any remaining such Hazardous Materials shall be completely, properly and lawfully removed from the Building upon expiration or earlier termination of this Lease.

**C. Notices To Landlord.** Tenant shall promptly notify Landlord of: (i) any enforcement, cleanup or other regulatory action taken or threatened by any governmental or regulatory authority with respect to the presence of any Hazardous Materials on the Premises or the migration thereof from or to other property, (ii) any demands or claims made or threatened by any party relating to any loss or injury resulting from any Hazardous Materials on the Premises, (iii) any release, discharge or non-routine, improper or unlawful disposal or transportation of any Hazardous Materials on or from the Premises or in violation of this Article, and (iv) any matters where Tenant is required by Law to give a notice to any governmental or regulatory authority respecting any Hazardous Materials on the Premises. Landlord shall have the right (but not the obligation) to join and participate, as a party, in any legal proceedings or actions affecting the Premises initiated in connection with any environmental, health or safety law. At such times as Landlord may reasonably request, Tenant shall provide Landlord with a written list, certified to be true and complete, identifying any Hazardous Materials then used, stored, or maintained upon the Premises, the use and approximate quantity of each such materials, a copy of any MSDS issued by the manufacturer therefor, and such other information as Landlord may reasonably require or as may be required by Law.

**D. Indemnification of Landlord.** If any Hazardous Materials are released, discharged or disposed of by Tenant, any subtenant or other occupant of the Premises (other than Landlord), or their employees, agents, invitees or contractors, on or about the Premises, the Building or the balance of the Project in violation of the foregoing provisions, Tenant shall immediately, properly and in compliance with applicable Laws clean up, remediate and remove the Hazardous Materials from the Building and any other affected property and clean or replace any affected personal property (whether or not owned by Landlord), at Tenant' s expense (without limiting Landlord' s other remedies therefor). Tenant shall further be required to indemnify and hold Landlord, Landlord' s directors, officers, employees and agents harmless from and against any and all claims, demands, liabilities, losses, damages, penalties and judgments directly or indirectly arising out of or attributable to a violation of the provisions of this Article by Tenant, Tenant' s employees, agents, invitees, or contractors. Any clean up, remediation and removal work shall be subject to Landlord' s prior written approval (except in emergencies), and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any governmental body having jurisdiction or reasonably required by Landlord. If Landlord or any Lender or governmental body arranges for any tests or studies showing that this Article has been violated, Tenant shall pay for the costs of such tests. The provisions of this Article shall survive the expiration or earlier termination of this Lease.

**E. Landlord' s Representation and Warranty.** Landlord represents and warrants to Tenant that as of the date of this Lease, to the best of Landlord' s actual knowledge, there are no Hazardous Materials in or upon the Premises or the balance of the Project in violation of applicable Law. For purposes of this Section 27.E., the phrase "to the best of Landlord' s actual knowledge" shall mean and be limited to the actual knowledge as of the date of this Lease, without any inquiry or investigation, of Rajiv Patel, Managing Director of Spear Street Capital, LLC, and Craig Hine, Vice President of Spear Street Capital, LLC.

## ARTICLE 28.

## ADDITIONAL RIGHTS RESERVED BY LANDLORD

In addition to any other rights provided for herein, Landlord reserves the following rights, exercisable without liability to Tenant for damage or injury to property, person or business and without effecting an eviction, constructive or actual, or disturbance of Tenant' s use or possession or giving rise to any claim:

(a) To name the Building and the Project and to change the name or street address of the Building and the Project;

(b) To install and maintain all signs on the exterior and interior of the Building and other buildings and improvements in the Project;

(c) To designate all sources furnishing sign painting or lettering for use in the Building:

(d) To have pass keys to the Premises and all doors therein, excluding Tenant' s vaults and safes;

(e) To take any and all measures, including entering the Premises for the purpose of making inspections, repairs, alterations, additions and improvements to the Premises or to the Building (including for the purpose of checking, calibrating, adjusting and balancing controls and other parts of the Building Systems), as may be necessary or desirable for the operation, improvement, safety, protection or preservation of the Premises or the Building, or in order to comply with all Laws, orders and requirements of governmental or other authority, or as may otherwise be permitted or required by this Lease; provided, however, that during the progress of any work on the Premises or at the Building, Landlord will attempt not to inconvenience Tenant, but shall not be liable for inconvenience, annoyance, disturbance, loss of business, or other damage to Tenant by reason of performing any work or by bringing or storing materials, supplies, tools or equipment in the Building or Premises during the performance of any work, and the obligations of Tenant under this Lease shall not thereby be affected in any manner whatsoever (and in no event shall the foregoing rights of Landlord imply that Landlord has assumed or shall be responsible for any obligations of Tenant under this Lease); and provided, further, however, that except in the case of an emergency (as determined by Landlord in good faith), Landlord shall give Tenant reasonable prior notice of any entry to the Premises pursuant to this Section 28(e);

(f) To relocate various facilities within the Building and on the land of which the Building is a part if Landlord shall determine such relocation to be in the best interest of the development of the Building and Project, provided that such relocation shall not materially restrict access to the Premises or require that Tenant incur any material additional cost as a result thereof; and

(g) To install vending machines of all kinds in the Building and to receive all of the revenue derived therefrom, provided, however, that no vending machines shall be installed by Landlord in the Premises unless Tenant so requests. The preceding shall not preclude Tenant' s installation of vending machines in the Premises for the convenience of Tenant and its employees and invitees.

## ARTICLE 29.

## DEFINED TERMS

**A.** "**Building**" shall refer to each and every Building, either individually or collectively as the context shall require, named in Article 1 of which the Premises or any portion thereof is a part (including all modifications, additions and alterations made to the Building during the term of this Lease). "**Buildings**" shall refer, collectively, to each Building, and any other buildings and improvements from time to time located on the Land.

**B.** "**Common Areas**" shall mean and include all areas, facilities, equipment, directories and signs of the Buildings and the Project (exclusive of the Premises and areas leased to other tenants) made available and designated by Landlord for the common and joint use and benefit of Landlord, Tenant and other tenants and occupants of the Buildings and the Project including, but not limited to, plazas, public lobbies and entrances, public washrooms, public hallways and stairwells, sidewalks, driveways, parking areas, landscaped areas and service entrances. The parties agree that the cafeteria available to Tenant and other tenants of the Project, which cafeteria is located in the Building, shall be deemed included in the Common Areas. Common Areas may further include such areas in adjoining properties under reciprocal easement agreements, operating agreements or other such agreements now or hereafter in effect and which are available to Landlord, Tenant and Tenant' s employees and invitees. Landlord reserves the right in its sole discretion and from time to time, to construct, maintain, operate, repair, close, limit, take out of service, alter, change, and modify all or any part of the Common Areas.

**C.** "**Default Rate**" shall mean eight percent (8%) per annum, or the highest rate permitted by applicable Law, whichever shall be less. If the application of the Default Rate causes any provision of this Lease to be usurious or unenforceable, the Default Rate shall automatically be reduced so as to prevent such result.

**D.** "**Hazardous Materials**" shall have the meaning set forth in Article 27.

**E.** "**Landlord**" and "**Tenant**" shall be applicable to one or more parties as the case may be, and the singular shall include the plural, and the neuter shall include the masculine and feminine; and if there be more than one, the obligations thereof shall be joint and several. For purposes of any provisions indemnifying or limiting the liability of Landlord, the term "Landlord" shall include Landlord' s present and future partners, beneficiaries, trustees, officers, directors, employees, shareholders, principals, agents, affiliates, successors and assigns.

**F.** "**Law**" or "**Laws**" shall mean all federal, state, county and local governmental and municipal laws, statutes, ordinances, rules, regulations, codes, decrees, orders and other such requirements, applicable equitable remedies and decisions by courts in cases where such decisions are binding precedents in the state in which the Building is located, and decisions of federal courts applying the Laws of such state, and the requirements of any board of fire underwriters or other similar board now or hereafter constituted, and any direction or occupancy certificate issued pursuant to any law by any public officer or officers, as well as the provisions of all covenants, conditions, and restrictions and other recorded documents affecting the Premises, the Buildings, or the Project.

**G.** "**Lease**" shall mean this lease executed between Tenant and Landlord, including any extensions, amendments or modifications and any Exhibits attached hereto.

**H.** "**Lease Year**" shall mean January 1 through December 31 of each calendar year or portion thereof during the Term.

**I.** "**Lender**" shall mean the holder of a Mortgage at the time in question, and where such Mortgage is a ground lease, such term shall refer to the ground lessee.

**J.** "**Mortgage**" shall mean all mortgages, deeds of trust, ground leases and other such encumbrances now or hereafter placed upon the Building or any part thereof with the written consent of Landlord, and all renewals, modifications, consolidations, replacements or extensions thereof, and all indebtedness now or hereafter secured thereby and all interest thereon.

**K.** "**Occupancy**": Whenever in this Lease a right, option or privilege of Tenant is conditioned upon Tenant (or any affiliate thereof or successor thereto) being in "occupancy" of a specified portion or percentage of the Premises, for such purposes "occupancy" shall mean Tenant' s (or such affiliate' s or successor' s) physical occupancy of the space for the conduct of such party' s business, and shall not include any space that is subject to a sublease or that has been vacated by such party, other than a vacation of the space as reasonably necessary in connection with the performance of approved Alterations or by reason of a fire or other casualty or a taking.

**L.** "**Operating Expenses**" shall mean all operating expenses of any kind or nature which are necessary, ordinary or customarily incurred in connection with the operation, maintenance or repair of the Buildings, the Common Areas (including the parking areas) and the balance of the Project, as determined by Landlord, to the extent allocable, as determined by Landlord, to the Building in which the Premises or any portion thereof is located. Notwithstanding the foregoing, the Operating Expenses of the Common Areas of the Project, other than Common Areas inside any Building (which shall be allocated entirely to the corresponding Building, except for Operating Expenses of the cafeteria, which shall be allocated to all of the Buildings), and the costs of gas furnished to all of the Buildings, shall be allocated to each Building in accordance with its respective Project Share as set forth in the Basic Lease Provisions of Article 1 above. The parties agree that statements in this Lease to the effect that Landlord is to perform certain obligations hereunder, or certain of its obligations hereunder at its own or sole cost and expense, shall not be interpreted as excluding any cost from Operating Expenses if such cost is an Operating Expense pursuant to the terms of this Lease.

Operating Expenses shall include, but not be limited to:

1.1 costs of supplies, including, but not limited to, the cost of relamping all Project lighting as the same may be required from time to time;

1.2 costs incurred in connection with obtaining and providing energy and utilities to the Project, including, but not limited to, costs of propane, butane, natural gas, steam, electricity, solar energy and fuel oils, coal or any other energy sources;

1.3 costs of water and sanitary and storm drainage services;

1.4 costs of janitorial and security services;

1.5 costs of general maintenance and repairs, including costs for maintenance, repairs and replacement of Base Building Components and equipment and tools used in connection with operating the Project, costs for repair and replacement of worn-out or broken equipment, and costs under HVAC and other mechanical maintenance contracts;

1.6 costs of maintenance and replacement of landscaping;

1.7 reasonable insurance premiums, including fire and all-risk coverage and, at Landlord' s election, earthquake, terrorism, flood and other non-standard coverages, together with loss of rent endorsements, the part of any claim required to be paid under the deductible portion of any insurance policies carried by Landlord in connection with the Project, public liability insurance and any other insurance carried by Landlord on the Project, or any component parts thereof (all such insurance shall be in such amounts as may be required by any holder of a Mortgage or as Landlord may reasonably determine); provided, however, that: (a) if Tenant' s share of any earthquake insurance deductible exceeds One Hundred Thousand Dollars ($100,000) in any calendar year, then only One Hundred Thousand Dollars ($100,000) may be included in Tenant' s share of Operating Expenses for such calendar year with respect to such earthquake insurance deductible, but Tenant' s share of excess amounts of such earthquake insurance deductible may be carried forward, subject to the same annual One Hundred Thousand Dollar ($100,000) limitation, for inclusion in Operating Expenses up to the expiration or earlier termination of the Lease Term, (b) if Tenant terminates this Lease pursuant to Article 10 in the event of an earthquake, then Tenant' s share of such earthquake insurance deductible shall not exceed One Hundred Thousand Dollars ($100,000), and (c) if Landlord terminates the Lease pursuant to Article 10 in the event of an earthquake, then Tenant shall have no obligation to pay any earthquake insurance deductible;

1.8 labor costs (excluding costs of any executive employees of Landlord or of Landlord' s agents above the function of general Project manager), including wages and other payments, costs to Landlord of worker' s compensation and disability insurance, payroll taxes, welfare fringe benefits, and all legal fees and other costs or expenses incurred in resolving any labor dispute;

1.9 professional building management fees required for management of the Project;

1.10 legal, accounting, inspection, and other consultation fees (including, without limitation, fees charged by consultants retained by Landlord for services that are designed to produce a reduction in Operating Expenses or to reasonably improve the operation, maintenance or state of repair of the Building or the Project) incurred in the ordinary course of operating the Building or the Project or in connection with making the computations required hereunder or in any audit of operations of the Building or the Project;

1.11 if the Project is or becomes subject to any covenants, conditions or restrictions, reciprocal easement agreement, common area declaration or similar agreement, then Operating Expenses shall include all fees, costs and other expenses allocated to the Project under such agreement; and

1.12 the cost, reasonably amortized as determined by Landlord and consistent with prudent real property management practices for comparable buildings in the Santa Clara area, together with interest at the rate of eight percent (8%) per annum or any lesser rate actually paid by Landlord to borrow such funds, of all capital repairs and replacements.

Notwithstanding the foregoing or anything to the contrary contained in this Lease, Operating Expenses shall exclude the following: (i) attorneys' fees and expenses incurred in connection with lease negotiations or disputes with Building tenants or prospective Building tenants; (ii) the cost of decorating, improving for tenant occupancy, painting or redecorating portions of the Project to be demised to tenants; (iii) real estate broker' s or other leasing commissions; (iv) the costs of electricity, gas, janitorial services, telephone services, and any other utilities or services the cost of which Tenant pays directly to Landlord or the provider thereof, to portions of the Project to be demised to tenants (other than Landlord' s costs of repair and maintenance of HVAC and other Building systems pursuant to this Lease, including, without limitation, Section 12.B., which costs shall be included in Operating Expenses); (v) repairs or work paid from insurance, condemnation or warranty proceeds, or other costs for which Landlord is reimbursed by a third party or a tenant of the Building (other than by means of an Operating Expense reimbursement provision); (vi) costs, penalties or fines arising from Landlord' s violation of any Law, except to the extent such costs reflect costs that would have been incurred by Landlord absent such violation; (vii) penalties or other costs incurred due to a violation by Landlord, as determined by written admission, stipulation, final judgment or arbitration award, of any of the terms and conditions of this Lease or any other lease relating to the Building except to the extent such costs reflect costs that would have been incurred by Landlord absent such violation; (viii) costs directly and solely attributable to any commercial concession in the Project which is not available to Tenant free of charge or on a subsidized basis; (ix) advertising and promotional expenditures; (x) debt service on Mortgages, or any ground lease rent; (xi) costs to upgrade the Project so as to cure any non-compliance that exists as of the date of this Lease with Laws as in effect and enforced as of the date of this Lease; (xii) bad debt reserves, rent reserves, capital replacement or improvement reserves or reserves for future Operating Expenses; (xiii) new capital improvements made to the Building or Project in order to comply with Laws (other than the costs of new capital improvements in order to comply with applicable Laws that are first enacted or first interpreted to apply to the Building or Project after the Commencement Date or for the protection of the health and safety of the occupants of the Building or the Project (collectively, "**Required Capital Improvements**") or the costs incurred by Landlord to install new improvements for the purpose of reducing Operating Expenses (provided such costs are

incurred with the reasonable expectation that the amortized amount and related interest to be included in Operating Expenses will not exceed the reduction in other Operating Expenses which will result therefrom) ("**Cost Savings Improvements**"); or (xiv) the cost of any remediation, removal or abatement of Hazardous Materials; *provided, however*, Operating Expenses may include the costs attributable to those actions taken by Landlord in connection with the ordinary operation and maintenance of the Building or the Project, including costs incurred in removing limited amounts of Hazardous Materials from the Building or the Project when such removal is directly related to such ordinary maintenance and operation. The costs of Required Capital Improvements and Cost Savings Improvements shall be amortized (with interest at eight percent (8%) per annum or such lesser interest rate actually paid by Landlord to borrow such funds, and if such funds are not borrowed, at an imputed interest rate of eight percent (8%)) over a reasonable period determined by Landlord consistent with prudent property management practices for buildings and projects comparable to the Buildings and the Project.

In making any computations contemplated hereby, Landlord shall also be permitted to make such adjustments and modifications to the provisions of this paragraph and Article 4 as shall be reasonable and necessary to achieve the intention of the parties hereto, provided that Tenant is not required to pay any material additional amount by reason thereof.

**M.** "**Rent**" shall have the meaning specified therefor in Article 3.

**N.** "**Rent Commencement Date**" shall mean the date that Tenant' s obligation to pay Monthly Rent shall commence for the applicable portion of the Premises, as set forth on Schedule 1 attached hereto.

**O.** "**Tax**" or "**Taxes**" shall mean:

1.1 all real property taxes and assessments levied against the Project by any governmental or quasi-governmental authority. The foregoing shall include all federal, state, county, or local governmental, special district, improvement district, municipal or other political subdivision taxes, fees, levies, assessments, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary, respecting the Project, including without limitation, real estate taxes, general and special assessments, interest on any special assessments paid in installments, transit taxes, water and sewer rents, taxes based upon the receipt of rent, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, appurtenances, furniture and other personal property used in connection with the Project which Landlord shall pay during any calendar year, any portion of which occurs during the Term (without regard to any different fiscal year used by such government or municipal authority except as provided below). Any taxes which shall be levied on the rentals of the Project shall be determined as if the Project were Landlord' s only property, and provided further that in no event shall the term "taxes or assessment," as used herein, include any net federal or state income taxes levied or assessed on Landlord, unless such taxes are a specific substitute for real property taxes. Such term shall, however, include gross taxes on rentals. Expenses incurred by Landlord for tax consultants and in contesting the amount or validity of any such taxes or assessments shall be included in such computations. Taxes shall not include any penalties incurred by Landlord as a result of Landlord' s failure to timely pay Taxes or file tax returns, unless Tenant shall fail to timely pay the Taxes payable by Tenant pursuant to this Lease.

1.2 all “assessments”, including so-called special assessments, license tax, business license fee, business license tax, levy, charge, penalty or tax imposed by any authority having the direct power to tax, including any city, county, state or federal government, or any school, agricultural, lighting, water, drainage, or other improvement or special district thereof, against the Premises of the Project or any legal or equitable interest of Landlord therein. For the purposes of this Lease, any special assessments shall be deemed payable in such number of installments as is permitted by Law, whether or not actually so paid. If as of the Commencement Date the Project has not been fully assessed as a completed project, for the purpose of computing the Expenses for any adjustment required herein or under Article 4, the Tax shall be adjusted by Landlord, as of the date on which the adjustment is to be made, to reflect full completion of the Project including all standard tenant finish work if the method of taxation of real estate prevailing to the time of execution hereof shall be, or has been altered, so as to cause the whole or any part of the taxes now, hereafter or theretofore levied, assessed or imposed on real estate to be levied, assessed or imposed on Landlord, wholly or partially, as a capital levy or otherwise, or on or measured by the rents received therefrom, then such new or altered taxes attributable to the Project shall be included within the term Taxes, except that the same shall not include any enhancement of said tax attributable to other income of Landlord. All of the preceding clauses O (1.1 and 1.2) are collectively referred to as the “Tax” or “Taxes”.

All other capitalized terms shall have the definition set forth in the Lease.

## ARTICLE 30.

## MISCELLANEOUS PROVISIONS

**A. RULES AND REGULATIONS**.

Tenant shall comply with all of the rules and regulations promulgated by Landlord from time to time for the Building and all amendments and other modifications thereto. A copy of the current rule and regulations is attached hereto as Exhibit B. In the event of any conflict or inconsistency between the rules and regulations and the provisions of the balance of this Lease, the provisions of the balance of this Lease shall control.

**B. EXECUTION OF LEASE**.

If more than one person or entity executes this Lease as Tenant, each such person or entity shall be jointly and severally liable for observing and performing each of the terms, covenants, conditions and provisions to be observed or performed by Tenant.

**C. NOTICES**.

All notices under this Lease shall be in writing and will be deemed sufficiently given for all purposes if, to Tenant, by delivery to Tenant at the Premises during the hours the Building is open for business or by certified mail, return receipt requested or by overnight delivery service (with one acknowledged receipt), to Tenant at the address set forth below, and if to Landlord, by certified mail, return receipt requested or by overnight delivery service (with one acknowledged receipt), at the addresses set forth below.

Landlord: at address shown in Article 1, item H.

with a copy to: Project Manager at address shown in Article 1, item I.

Tenant: at address shown in Article 1, item B.

**D. TRANSFERS**.

The term "Landlord" appearing herein shall mean only the owner of the Building from time to time and, upon a sale or transfer of its interest in the Building, the then Landlord and transferring party shall have no further obligations or liabilities for matters accruing after the date of transfer of that interest, the successor owner and transferee shall be deemed to have assumed Landlord' s obligations thereafter arising under this Lease, and Tenant, upon such sale or transfer, shall look solely to the successor owner and transferee of the Building for performance of Landlord' s obligations hereunder.

**E. MODIFICATION FOR LENDER**.

If any Lender that intends to acquire an interest in, or holds a Mortgage encumbering any portion of the Project should require either the execution by Tenant of an agreement requiring Tenant to send such lender written notice of any default by Landlord under this Lease, giving such lender the right to cure such default until such lender has completed foreclosure, and preventing Tenant from terminating this Lease (to the extent such termination right would otherwise be available) unless such default remains uncured after foreclosure has been completed, and/or any modification of the agreements, covenants, conditions or provisions of this Lease, then Tenant agrees that it shall, within ten (10) days after Landlord' s request, execute and deliver such agreement and modify this Lease as required by such lender or ground lessor; provided, however, that no such modification shall affect the length of the term or increase the Rent payable by Tenant or otherwise materially adversely affect Tenant' s rights or materially increase Tenant' s obligations (other than notice requirements and other similar ministerial obligations).

**F. TENANT FINANCIAL STATEMENTS**.

Upon the written request of Landlord, Tenant shall submit financial statements for its most recent financial reporting period and for the prior Lease Year. All such financial statements shall be certified as true and correct by the responsible officer or partner of Tenant and if Tenant is then in default hereunder, the financial statements shall be certified by an independent certified public accountant.

**G. RELATIONSHIP OF THE PARTIES**.

Nothing contained in this Lease shall be construed by the parties hereto, or by any third party, as constituting the parties as principal and agent, partners or joint venturers, nor shall anything herein render either party (other than a guarantor) liable for the debts and obligations of any other party, it being understood and agreed that the only relationship between Landlord and Tenant is that of Landlord and Tenant.

**H. ENTIRE AGREEMENT: MERGER**.

This Lease embodies the entire agreement and understanding between the parties respecting the Lease and the Premises and supersedes all prior negotiations, agreements and understandings between the parties, all of which are merged herein. No provision of this Lease may be modified, waived or discharged except by an instrument in writing signed by the party against which enforcement of such modification, waiver or discharge is sought.

**I. NO REPRESENTATION BY LANDLORD**.

Neither Landlord nor any agent of Landlord has made any representations, warranties, or promises with respect to the Premises or the Building except as expressly set forth herein.

**J. LIMITATION OF LIABILITY**.

Notwithstanding any provision in this Lease to the contrary, under no circumstances shall Landlord' s liability for failure to perform any obligations arising out of or in connection with this Lease or for any breach of the terms or conditions of this Lease (whether written or implied) exceed Landlord' s equity interest in the Building, and, subject to the prior rights of any Lenders and to the extent still in Landlord' s possession or not yet received (but still receivable), the revenues, insurance proceeds and condemnation awards therefrom, and no personal liability shall at any time be asserted or enforceable against any other assets of Landlord or against the constituent shareholders, partners, members, or other owners of Landlord, or the directors, officers, employees and agents of Landlord or such constituent shareholder, partner, member or other owner, on account of any of Landlord' s obligations or actions under this Lease. Any judgments rendered against Landlord shall be satisfied solely out of proceeds of sale of Landlord' s interest in the Building and, subject to the prior rights of any Lenders and to the extent still in Landlord' s possession or not yet received (but still receivable), the revenues, insurance proceeds and condemnation awards therefrom. No personal judgment shall lie against Landlord upon extinguishment of its rights in the Building and, subject to the prior rights of any Lenders and to the extent still in Landlord' s possession or not yet received (but still receivable), the revenues, insurance proceeds and condemnation awards therefrom, and any judgments so rendered shall not give rise to any right of execution or levy against Landlord' s assets. The provisions hereof shall inure to Landlord' s successors and assigns including any Lender. The foregoing provisions are not intended to relieve Landlord from the performance of any of Landlord' s obligations under this Lease, but only to limit the personal liability of Landlord in case of recovery of a judgment against Landlord; nor shall the foregoing be deemed to limit Tenant' s rights to obtain injunctive relief or specific performance or other remedy which may be accorded Tenant by law or under this Lease.

**K. MEMORANDUM OF LEASE**.

Neither party, without the written consent of the other, will execute or record this Lease or any summary or memorandum of this Lease in any public recorder' s office.

**L. NO WAIVERS: AMENDMENTS**.

Failure of either party to insist upon strict compliance by the other party of any condition or provision of this Lease shall not be deemed a waiver by such party of that condition. No waiver shall be effective against either party unless in writing and signed by the other party. Similarly, this Lease cannot be amended except by a writing signed by Landlord and Tenant.

**M. SUCCESSORS AND ASSIGNS**.

The conditions, covenants and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**N. GOVERNING LAW; SEVERABILITY**.

This Lease shall be governed by the laws of the State of California. If any provision of this Lease or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

**O. EXHIBITS**.

All exhibits attached to this Lease are a part hereof and are incorporated herein by reference and all provisions of such exhibits shall constitute agreements, promises and covenants of this Lease.

**P. CAPTIONS**.

The captions and headings used in this Lease are for convenience only and in no way define or limit the scope, interpretation or content of this Lease.

**Q. ATTORNEYS' FEES; WAIVER OF JURY TRIAL**.

In the event of any action or proceeding between Landlord and Tenant (including an action or proceeding between Landlord and the trustee or debtor in possession while Tenant is a debtor in a proceeding under any bankruptcy law) to enforce any provision of this Lease, the losing party shall pay to the prevailing party all costs and expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred in such action and in any appeal in connection therewith by such prevailing party. The "prevailing party" will be determined by the court before whom the action was brought based upon an assessment of which party' s major arguments or positions taken in the suit or proceeding could fairly be said to have prevailed over the other party' s major arguments or positions on major disputed issues in the court' s decision. Notwithstanding the foregoing, however, Landlord shall be deemed the prevailing party in any unlawful detainer or other action or proceeding instituted by Landlord based upon any default or alleged default of Tenant hereunder if (i) judgment is entered in favor of Landlord, or (ii) prior to trial or judgment Tenant pays all or any portion of the rent claimed by Landlord, vacates the Premises, or otherwise cures the default claimed by Landlord.

IF ANY ACTION OR PROCEEDING BETWEEN LANDLORD AND TENANT TO ENFORCE THE PROVISIONS OF THIS LEASE (INCLUDING AN ACTION OR PROCEEDING BETWEEN LANDLORD AND THE TRUSTEE OR DEBTOR IN POSSESSION WHILE TENANT IS A DEBTOR IN A PROCEEDING UNDER ANY BANKRUPTCY LAW) PROCEEDS TO TRIAL, TO THE EXTENT PERMITTED BY APPLICABLE LAW, LANDLORD AND TENANT HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY IN SUCH TRIAL. Landlord and Tenant agree that this paragraph constitutes a written consent to waiver of trial by jury within the meaning of California Code of Civil Procedure Section 631(d)(2), and Tenant does hereby authorize and empower Landlord to file this paragraph and/or this Lease, as required, with the clerk or judge of any court of competent jurisdiction as a written consent to waiver of jury trial.

**R. COUNTERPARTS**.

This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**S. CONFIDENTIALITY**.

Tenant agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord, and that disclosure of the terms hereof could adversely affect the ability of Landlord to negotiate with other tenants. Tenant hereby agrees that Tenant and its partners, officers, directors, employees, agents, real estate brokers and sales persons and attorneys shall not disclose the terms of this Lease to any other person without Landlord' s prior written consent, except to any accountants of Tenant in connection with the preparation of Tenant' s financial statements or tax returns, to an assignee of this Lease or sublessee of the Premises, or to an entity or person to whom disclosure is required by applicable law or in connection with any action brought to enforce this Lease.

## ARTICLE 31.

## ROOFTOP SPACE; GENERATOR SPACE

Landlord recognizes that Tenant may, during the Term, desire to install, at Tenant' s sole cost and expense, antennae and/or communication dishes on the roof of the Building, and/or a back-up power generator in or about the Building. Upon Tenant' s request, Landlord will endeavor in good faith to provide suitable space to Tenant for such purpose, provided that such space is available to Landlord, and that such use is permitted by all applicable Laws, and provided further that Landlord and Tenant agree, after good faith negotiations, as to the terms, covenants and conditions applicable to Tenant' s lease of any such space. In the event any such space is leased by Tenant, Tenant will not be charged any additional rent for the use of such space and the other terms, covenants and conditions applicable thereto shall be set forth in an amendment to this Lease approved and executed by Landlord and Tenant.

[*Signatures appear on the following page*]

**IN WITNESS WHEREOF**, and intending to be legally bound hereby, the parties have duly executed this Lease as of the date set forth on the top of the cover page hereof.

**LANDLORD:**

THE LANDING SC, LLC,
a Delaware limited liability company

By: /s/ John S. Grassi
Its: President

**TENANT:**

HORTONWORKS, INC.,
a Delaware corporation

By: /s/ Dan Bradford
Its: VP Finance

## Schedule 1

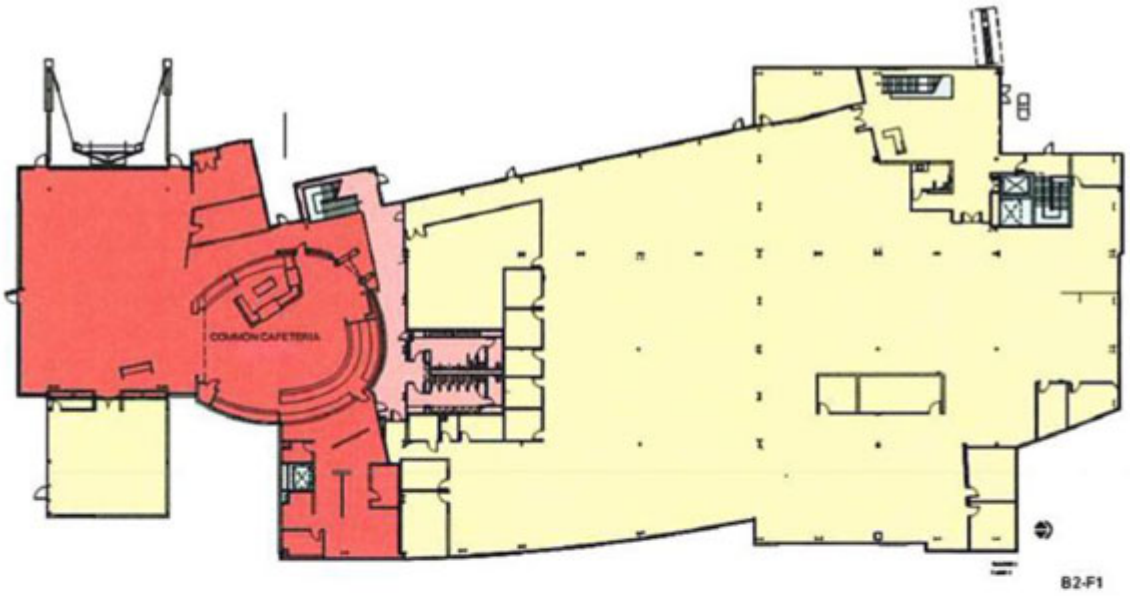
### MONTHLY RENT SCHEDULE

| Period | Rate Per RSF | Monthly Rent |
|---|---|---|
| Rent Year One | $ 3.50 | $226,516.50 |
| Rent Year Two | $ 3.61 | $233,312.00 |
| Rent Year Three | $ 3.71 | $240,311.35 |
| Rent Year Four | $ 3.82 | $247,520.70 |

"Rent Year One" shall be the period commencing on the Rent Commencement Date and ending on the last day of the ninth (9th) full calendar month thereafter, and each succeeding "Rent Year" shall be the twelve (12) full calendar month period after the prior Rent Year, except that the final Rent Year shall in any event end on the Expiration Date.

**Exhibit A**

**Plans Showing Premises and Project**



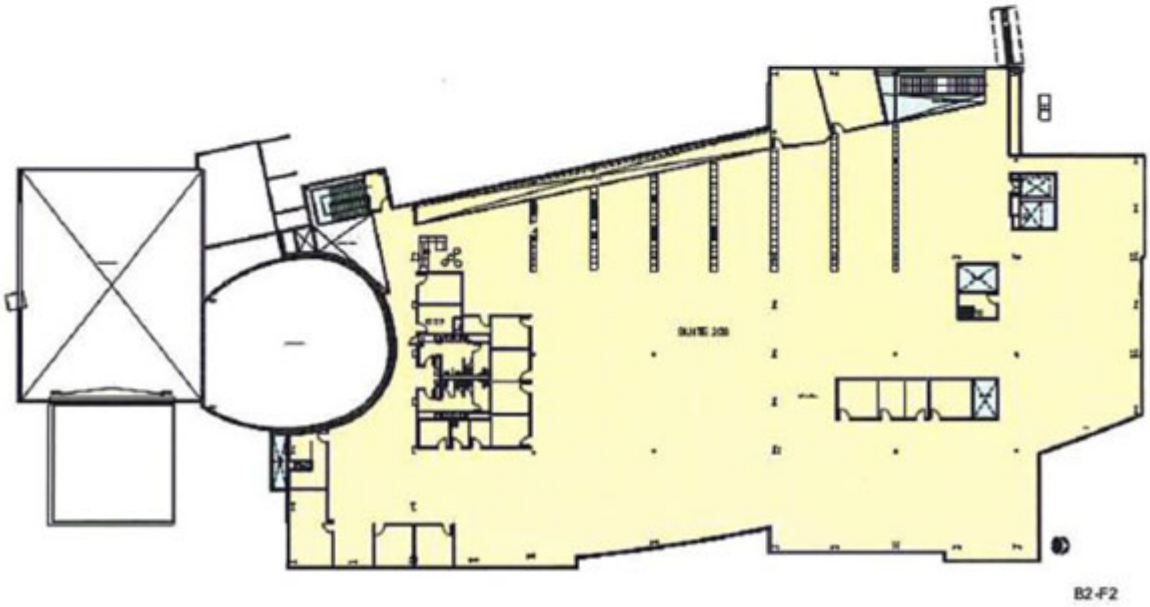



**Exhibit A-1**

**Description of the Land**

**LEGAL DESCRIPTION**

Real property in the County of Santa Clara, State of California, described as follows:

PARCEL ONE AS SHOWN ON THAT CERTAIN MAP ENTITLED "PARCEL MAP BEING A SUBDIVISION OF ALL THAT LAND DESCRIBED IN THAT CERTAIN GRANT DEED RECORDED ON JANUARY 17, 2006 AS DOCUMENT NO. 18769683, SANTA CLARA COUNTY RECORDS" FILED ON MARCH 10, 2014 IN BOOK 870 OF MAPS, PAGES 1 THROUGH 3.

PARCEL TWO AS SHOWN ON THAT CERTAIN MAP ENTITLED "PARCEL MAP BEING A SUBDIVISION OF ALL THAT LAND DESCRIBED IN THAT CERTAIN GRANT DEED RECORDED ON JANUARY 17, 2006 AS DOCUMENT NO. 18769683, SANTA CLARA COUNTY RECORDS" FILED ON MARCH 10, 2014 IN BOOK 870 OF MAPS, PAGES 1 THROUGH 3.

**Exhibit B**

**Building' s Rules and Regulations**

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls of the Building shall not be obstructed or encumbered or used for any purpose other than ingress and egress to and from the premises demised to any tenant or occupant. Tenant shall lend its full cooperation to keep such areas free from all obstruction and in a clean and good condition and shall move all supplies, furniture and equipment as soon as received. Landlord retains the right to control all public and other areas not specifically designated as the Premises, provided nothing herein shall be construed to prevent access to the Premises or the common areas of the Project by Tenant or Tenant' s invitees.

2. No awnings or other projection shall be attached to the outside walls or windows of the Building without the prior consent of Landlord. No curtains, blinds, shades, or screens shall be attached to or hung in, or used in connection with, any window or door of the premises demised to any tenant or occupant, without the prior consent of Landlord (which consent shall not be unreasonably withheld, conditioned or delayed). Such awnings, projections, curtains, blinds, shades, screens or other fixtures must be of a quality, type, design and color, and attached in a manner, approved by Landlord.

3. No sign, advertisement, object, notice or other lettering shall be exhibited, inscribed, painted or affixed on any part of the outside or inside of the premises demised to any tenant or occupant of the Building without the prior consent of Landlord (which consent shall not be unreasonably withheld, conditioned or delayed). Interior signs on doors and directory tables, if any, shall be of a size, color and style approved by Landlord (which consent shall not be unreasonably withheld, conditioned or delayed).

4. The sashes, sash doors, skylights, windows, and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed, nor shall any bottles, parcels, or other articles be placed on any window sills.

5. No show cases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the halls, corridors, vestibules or other public parts of the Building.

6. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown therein. No tenant shall bring or keep, or permit to be brought or kept, any inflammable, combustible, explosive or hazardous fluid, materials, chemical or substance in or about the premises demised to such tenant.

7. No tenant or occupant shall mark, paint, drill into, or in any way deface any part of the Building or the premises demised to such tenant or occupant. No boring, cutting or stringing of wires shall be permitted, except with the prior consent of Landlord (which consent shall not be unreasonably withheld, conditioned or delayed), and as Landlord may direct. No tenant or occupant shall install any resilient tile or similar floor covering in the premises demised to such tenant or occupant except in a manner approved by Landlord (which consent shall not be unreasonably withheld, conditioned or delayed).

8. No bicycles, vehicles or animals (other than service dogs) of any kind shall be brought into or kept in or about the premises demised to any tenant. No cooking shall be done or permitted in the Building by any tenant without the approval of the Landlord. Notwithstanding the foregoing, however, Tenant may maintain and use microwave ovens and equipment for brewing coffee, tea, hot chocolate and similar beverages, provided that Tenant shall (i) prevent the emission of any food or cooking odor from leaving the Premises, (ii) be solely responsible for cleaning the areas where such equipment is located and removing food related waste from the Premises and the Building, or shall pay Landlord' s standard rate for such service as an addition to cleaning services ordinarily provided, (iii) maintain and use such areas solely for Tenant' s employees and business invitees, not as public facilities, and (iv) keep the Premises free of vermin and other pest infestation and shall exterminate, as needed, in a manner and through contractors reasonably approved by Landlord, preventing any emission of odors, due to extermination, from leaving the Premises. No tenant shall cause or permit any unusual or objectionable odors to emanate from the premises demised to such tenant.

9. No space in the Building shall be used for manufacturing, for the storage of merchandise, or for the sale of merchandise, goods, or property of any kind at auction, without the prior consent of Landlord.

10. No tenant shall make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with other tenants or occupants of the Building or neighboring buildings or premises whether by the use of any musical instrument, radio, television set or other audio device, unmusical noise, whistling, singing, or in any other way. Nothing shall be thrown out of any doors or window.

11. No additional locks or bolts of any kind shall be placed upon any of the doors or windows, nor shall any changes be made in locks or the mechanism thereof. Each tenant must, upon the termination of its tenancy, restore to Landlord all keys of stores, offices and toilet rooms, either furnished to, or otherwise procured by, such tenant and then currently in possession. Tenant shall bear the cost of any lock changes or repairs required by Tenant and Tenant shall promptly deliver any new keys to Landlord.

12. All removals from the Building, or the carrying in or out of the Building or the premises demised to any tenant, of any safes, freight, furniture or bulky matter of any description must take place at such time and in such manner as Landlord or its agents may reasonably determine, from time to time. Landlord reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight which violates any of the Rules and Regulations or the provisions of such tenant' s lease.

13. No tenant shall use or occupy, or permit any portion of the premises demised to such tenant to be used or occupied, as an office for a public stenographer or typist, or to a barber or manicure shop, or as an employment bureau. No tenant or occupant shall engage or pay any employees in the Building, except those actually working for such tenant or occupant in the Building.

14. No tenant or occupant shall purchase spring water, ice, food, beverage, lighting maintenance, cleaning towels or other like service, from any company or person not approved by Landlord (which consent shall not be unreasonably withheld, conditioned or delayed). No vending machines of any description shall be installed, maintained or operated upon the premises demised to any tenant without the prior consent of Landlord; provided, however, the foregoing shall not preclude any tenant from installing vending machines for the exclusive use of its own employees so long as any such vending machine is not visible from the lobby of the Building.

15. Landlord shall have the right to prohibit any advertising by any tenant or occupant which, in Landlord' s opinion, tends to impair the reputation of the Building or its desirability as a building for offices, and upon notice from Landlord, such tenant or occupant shall refrain from or discontinue such advertising.

16. Landlord reserves the right to exclude from the Building, between the hours of 6:00 P.M. and 8:00 A.M. on business days and at all hours on Saturdays, Sundays and holidays, all persons who do not present a pass to the Building signed by Landlord. Landlord will furnish passes to persons for whom any tenant requests such passes. Each tenant shall be responsible for all persons for whom it requests such passes and shall be liable to Landlord for all acts of such persons.

17. Each tenant, before closing and leaving the premises demised to such tenant at any time, shall see that all entrance doors are locked and all windows closed. Corridor doors, when not in use, shall be kept closed.

18. Each tenant shall, at its expense, provide artificial light in the premises demised to such tenant for Landlord' s agents, contractors and employees while performing janitorial or other cleaning services and making repairs or alterations in said premises.

19. No premises shall be used, or permitted to be used for lodging or sleeping, or for any immoral or illegal purposes.

20. The requirements of tenants will be attended to only upon application at the office of Landlord. Building employees shall not be required to perform, and shall not be requested by any tenant or occupant to perform, and work outside of their regular duties, unless under specific instructions from the office of Landlord.

21. Canvassing, soliciting and peddling in the Building are prohibited and each tenant and occupant shall cooperate in seeking their prevention.

22. There shall not be used in the Building, either by any tenant or occupant or by their agents or contractors, in the delivery or receipt of merchandise, freight, or other matter, any hand trucks or other means of conveyance except those equipped with rubber tires, rubber side guards and such other safeguards as Landlord reasonably may require.

23. If the Premises demised to any tenant become infested with vermin, such tenant, at its sole cost and expense, shall cause its premises to be exterminated, from time to time, to the satisfaction of Landlord, and shall employ such exterminators therefor as shall be approved by Landlord.

24. No premises shall be used, or permitted to be used, at any time, without the prior approval of Landlord, as a store for the sale or display of goods, wares or merchandise of any kind, or as a restaurant, shop, booth, bootblack or other stand, or for the conduct of any business or occupation which predominantly involves direct patronage of the general public in the premises demised to such tenant, or for manufacturing or for other similar purposes.

25. No tenant shall clean any window in the Building from the outside.

26. No tenant shall move, or permit to be moved, into or out of the Building or the premises demised to such tenant, any heavy or bulky matter, without the specific approval of Landlord (which approval shall not be unreasonably withheld, conditioned or delayed). If any such matter requires special handling, only a qualified person shall be employed to perform such special handling. No tenant shall place, or permit to be placed, on any part of the floor or floors of the premises demised to such tenant, a load exceeding the floor load per square foot which such floor was designed to carry and which is allowed by law. Landlord reserves the right to prescribe the weight and position of safes and other heavy matter, which must be placed so as to distribute the weight.

27. In the event that the Building is a multi-tenant building, Landlord shall provide and maintain an alphabetical directory board in the first floor (main lobby) of the Building and no other directory shall be permitted without the prior consent of Landlord. Each tenant shall be allowed one line on such board unless otherwise agreed to in writing.

28. With respect to work being performed by a tenant in its premises with the approval of Landlord, the tenant shall refer all contractors, contractors' representatives and installation technicians to Landlord for its approval prior to the performance of any work or services (which consent shall not be unreasonably withheld, conditioned or delayed). This provision shall apply to all work performed in the Building including installation of telephones, telegraph equipment, electrical devices and attachments, and installations of every nature affecting floors, walls, woodwork, trim, ceilings, equipment and any other physical portion of the Building.

29. Landlord shall not be responsible for lost or stolen personal property, equipment, money, or jewelry from the premises of tenants or public rooms whether or not such loss occurs when the Building or the premises are locked against entry.

30. Landlord shall not permit entrance to the premises of tenants by use of pass keys controlled by Landlord, to any person at any time without written permission from such tenant, except employees, contractors, or service personnel directly supervised by Landlord and employees of the United States Postal Service.

31. Each tenant and all of tenant' s employees and invitees shall observe and comply with the driving and parking signs and markers on the Land surrounding the Building, and Landlord shall not be responsible for any damage to any vehicle towed because of noncompliance with parking regulations. Vehicles may not be stored or parked overnight on the Property parking lot.

32. Without Landlord' s prior approval, no tenant shall install any radio or television antenna, loudspeaker, music system or other device on the roof or exterior walls of the Building or on common walls with adjacent tenants.

33. Each tenant shall store all trash and garbage within its premises or in such other areas specifically designated by Landlord. No materials shall be placed in the trash boxes or receptacles in the Building unless such materials may be disposed of in the ordinary and customary manner of removing and disposing of trash and garbage and will not result in a violation of any law or ordinance governing such disposal. All garbage and refuse disposal shall be only through entryways and elevators provided for such purposes and at such times as Landlord shall designate.

34. The use of skateboards, scooters, roller blades, roller skates, etc. is not permitted on the Property, including the basketball courts.

**PARKING RULES**

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles, pickup trucks and sport utility vehicles. Tenant and its employees shall park automobiles within the lines of the parking spaces.

2. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant' s employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those reasonably designated by Landlord for such activities. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.

3. Parking stickers and parking cards, if any, shall be the property of Landlord and shall be returned to Landlord by the holder thereof upon termination of the holder' s parking privileges. Landlord may require Tenant and each of its employees to give Landlord a commercially reasonable deposit when a parking card or other parking device is issued. Landlord shall not be obligated to return the deposit unless and until the parking card or other device is returned to Landlord. Tenant will pay such replacement charges as is reasonably established by Landlord for the loss of such devices. Loss or theft of parking identification stickers or devices from automobiles must be reported to the parking operator immediately. Any parking identification stickers reported lost or stolen found on any unauthorized car will be confiscated and the illegal holder will be subject to prosecution.

4. Unless otherwise instructed, every person using the parking area is required to park and lock his own vehicle. Landlord will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.

5. Intentionally Deleted.

6. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.

7. Tenant shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws, and agreements. Parking area managers or attendants, if any, are not authorized to make or allow any exceptions to these Parking Rules and Regulations. Landlord reserves the right to terminate parking rights for any person or entity that willfully refuses to comply with these rules and regulations.

8. Tenant agrees that all responsibility for damage to cars or the theft of or from cars is assumed by the driver, and further agrees that Tenant will hold Landlord harmless for any such damages or theft.

9. No vehicles shall be parked in the parking areas overnight. The parking area shall only be used for daily parking and no vehicle or other property shall be stored in a parking space.

10. Any vehicle parked by Tenant, its employees, contractors or visitors in a reserved parking space or in any area of the parking area that is not designated for the parking of such a vehicle may, at Landlord' s option, and without notice or demand, be towed away by any towing company selected by Landlord, and the reasonable cost of such towing shall be paid for by Tenant and/or the driver of said vehicle.

Landlord reserves the right at any time to reasonably change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable and nondiscriminatory Rules and Regulations as in Landlord' s judgment may from time to time be necessary for the management, safety, care and cleanliness of the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Landlord, however, shall apply such Rules and Regulations in a nondiscriminatory manner. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them.

**Exhibit C**

Commencement Date Confirmation

Reference is hereby made to that certain Lease dated as of May 19, 2014 (the "**Lease**") between THE LANDING, LLC, a Delaware limited liability company, as "Landlord", and HORTONWORKS, INC., a Delaware corporation, as "Tenant" for premises in the building known as 5470 Great America Parkway, Santa Clara, California.

Landlord and Tenant do hereby confirm that the "Delivery Date" under the Lease occurred on _____, 2014, that the "Commencement Date" under the Lease occurred on _____, 2014, and that the "Rent Commencement Date" under the Lease occurred on _____, 2014. The Lease is now in full force and effect, and as of the date hereof, Landlord has fulfilled all of its obligations under the Lease to be performed through the date hereof. Tenant' s obligation to pay Operating Expenses and Taxes under the Lease commenced on the Commencement Date, and Tenant' s obligation to pay Monthly Rent commenced on the Rent Commencement Date. The Term of the Lease shall terminate on _____, which date constitutes the "Expiration Date" under the Lease.

Dated: _____, 2014.

LANDLORD:

By: _____

TENTANT:

By: _____

**Exhibit D**

**Form of Letter of Credit**

**LETTER OF CREDIT**

[Date]

**Beneficiary:**
THE LANDING SC, LLC
One Market Plaza
Spear Tower, Suite 4125
San Francisco, California 94105
Attn: John S. Grassi, President

**Applicant:**

_____
_____
_____
_____

IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

We hereby establish our Irrevocable Letter of Credit in your favor available by your drafts drawn on **[NAME OF BANK]**, at sight, for any sum or sums not exceeding _____ Dollars ($_____) for account of **[NAME OF TENANT]** at **[TENANT' S ADDRESS]**. Draft(s) must be accompanied by supporting documents as described below:

> A written statement to **[INSERT NAME OF BANK]** stating that "The principal amount [**or the portion requested**] of this Letter of Credit is due and payable to Beneficiary in accordance with the provisions of that certain Office Lease dated as of May __, 2014, between Beneficiary and Applicant, as such lease may be amended from time to time."

The written statement shall be accompanied by this Letter of Credit for surrender; provided, however, that if less than the balance of the Letter of Credit is drawn, this Letter of Credit need not be surrendered and shall continue in full force and effect with respect to the unused balance of this Letter of Credit unless and until we issue to you a replacement Letter of Credit for such unused balance, the terms of which replacement Letter of Credit shall be identical to those set forth in this Letter of Credit. We are not required to inquire as to the accuracy of the matters recited in the written statement or as to the authority of the person signing the written statement and may take the act of signing as conclusive evidence of such accuracy and his or her authority to do so. The obligation of **[BANK]** under this Letter of Credit is the individual obligation of **[BANK]**, and is in no way contingent upon reimbursement with respect thereto.

Each draft must bear upon its face the clause "Drawn under Letter of Credit No. _____, dated _____ __, _____, of **[BANK]**."

This Letter of Credit shall be automatically extended for an additional period of one year from the present or each future expiration date unless we have notified you in writing delivered via U.S. registered mail, return receipt requested, to your address stated above, or to such other address as you shall have furnished to us for such purpose, not less than sixty (60) days before

such expiration date, that we elect not to renew this Letter of Credit. Upon your receipt of such notification, you may draw your sight draft on us prior to the then applicable expiration date for the unused balance of the Letter of Credit, which shall be accompanied by your signed written statement that you received notification of our election not to extend.

Except so far as otherwise expressly stated herein, this Letter of Credit is subject to the "Uniform Customs and Practices for Documentary Credits (2007 Revision), International Chamber of Commerce–Publication No. 600, subject to the following: (a) if this Letter of Credit expires during an interruption of business as described in Article 36 of the UCP, we hereby specifically agree to effect payment if this Letter of Credit is drawn against within 30 days after the resumption of business; and (b) notwithstanding Article 14 or any other provision of the UCP, and regardless of whether the words "strict", "exact" or "identical" or similar words are used in this Letter of Credit, a document presented under this Letter of Credit need not reproduce the wording in this Letter of Credit exactly, including typographical errors, punctuation, spacing, blank lines and spaces (or the completion or deletion thereof), and the like.

We hereby agree with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to the above-mentioned drawee at our offices at **[ADDRESS]** on or before _____PM **[TIME ZONE]** Time on **[INITIAL EXPIRATION DATE]**, or such later expiration date to which this Letter of Credit is extended pursuant to the terms hereof.

If at any time Beneficiary or its authorized transferee is not in possession of the original of this letter of credit (together with all amendments, if any) because such original has been delivered to us as required hereunder for a draw thereon or transfer thereof, our obligations as set forth in this letter of credit shall continue in full force and effect as if Beneficiary or such authorized transferee still held such original, and any previous delivery to us, without return by us, of such original shall be deemed to have satisfied any requirement that such original be delivered to us for a subsequent draw hereunder or transfer hereof.

This Letter of Credit may be, without charge and without recourse, assigned to, and shall inure to the benefit of, any successor in interest to **[LANDLORD]**, under the Office Lease. Transfer charges, if any, are for the account of the applicant.

Sincerely, **[BANK]**

**Exhibit 10.7**

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS DOCUMENT. [**] - INDICATES INFORMATION THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED INFORMATION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

EXECUTION COPY

# COMMERCIAL AGREEMENT

This Commercial Agreement (the "**Agreement**") is made and entered into as of June 21, 2011, by and between HortonWorks, Inc., a Delaware corporation ("**HortonWorks**"), and Yahoo! Inc., a Delaware corporation ("**Yahoo**"). Yahoo and HortonWorks are referred to herein individually as a "**Party**" or together as the "**Parties**."

## RECITALS

**WHEREAS**, Yahoo has been a leading contributor to the Hadoop Project of the Apache Software Foundation;

**WHEREAS**, Yahoo desires to invest, along with Benchmark Capital ("**Benchmark**"), in HortonWorks, on the terms and conditions set forth in that certain Series A Preferred Stock Purchase Agreement between Yahoo, Benchmark, and HortonWorks dated as of the date hereof (the "**Series A Preferred Stock Purchase Agreement**");

**WHEREAS**, as part of the investment in HortonWorks pursuant to the Series A Preferred Stock Purchase Agreement, Yahoo desires to license to HortonWorks certain specified assets and rights related to the Hadoop Project, and HortonWorks desires to receive such rights, on the terms and conditions set forth in the Intellectual Property Agreement between Yahoo and HortonWorks dated as of the date hereof (the "**Intellectual Property Agreement**");

**WHEREAS**, Yahoo' s investment pursuant to the Series A Preferred Stock Purchase Agreement and Yahoo' s license of such specified Hadoop Project assets is based in part on HortonWorks' agreement to provide certain software development, support, and maintenance services related to the Hadoop Project, on the terms and conditions set forth in this Agreement;

**WHEREAS**, HortonWorks desires to provide such development, support, and maintenance services and to grant to Yahoo licenses and rights with respect to Software developed by or for HortonWorks related to the Hadoop Project as set forth in the Intellectual Property Agreement; and

**WHEREAS**, Yahoo has already contributed certain Hadoop Base Code to the Apache Software Foundation, and the Parties intend for each Party to continue to contribute to the Apache Software Foundation updates to such Hadoop Base Code, and to make such Hadoop Base Code generally available under the Apache License in accordance with the terms of this Agreement and the Intellectual Property Agreement.

**NOW, THEREFORE**, the Parties agree as follows:

## 1. DEFINITIONS

1.1 **General**. For all purposes of this Agreement, except as otherwise expressly provided: (i) capitalized terms used in this Agreement will have the meanings assigned to them in Exhibit A (Definitions) or, if not defined in Exhibit A (Definitions), will have the meanings assigned to them in the Series A Preferred Stock Purchase Agreement, the Intellectual Property Agreement, or this Agreement; (ii) words expressed in the singular will also include the plural, and vice versa, and words expressed in the masculine will include the feminine and neuter genders, and vice versa; (iii) pronouns of either gender or neuter will also include, as appropriate, the other pronoun forms; (iv) all references in this Agreement to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, unless otherwise expressly provided in this Agreement; (v) the words "herein," "hereof," and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, or other subdivision; (vi) all references to this "Agreement" or any other agreement or document will be construed as references to this Agreement or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, novated, or supplemented; and (vii) "include," "includes," and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of similar import.

1.2 **Definitions**. As used in this Agreement and the exhibits delivered pursuant to this Agreement, the definitions set forth in Exhibit A (Definitions) will apply.

## 2. GENERAL SERVICE TERMS

2.1 **Scope of Services**. The Agreement sets forth the terms and conditions under which HortonWorks will provide the Yahoo Services. All SOWs, Change Orders, and Purchase Orders will be governed by this Agreement.

2.2 **General Services**. Commencing on the Closing Date, HortonWorks will provide the Yahoo Services to Yahoo in accordance with the terms of this Agreement, and Yahoo will provide the Development Cluster Services to HortonWorks in accordance with the terms of this Agreement.

2.3 **Staffing**.

2.3.1 **Personnel**. HortonWorks agrees: (i) to assign Personnel qualified to perform the Yahoo Services, (ii) to maintain sufficient staffing levels to ensure Yahoo Services are performed within the time frames specified in the Agreement and at the performance levels required under the Agreement, and (iii) that Personnel will be supervised and controlled by HortonWorks. In addition, HortonWorks is solely responsible for: (1) the acts and/or omissions

of Personnel, (2) payment of all Personnel compensation, including all legal and contractual benefits, (3) withholding any and all appropriate taxes, and (4) complying with any federal, state, or local employment Laws as well as any other employer duties and obligations. HortonWorks will also designate a Project Manager for each Yahoo Service who will confer with Yahoo regarding the Yahoo Service, liaise with the Executive Steering Committee (as described in Section 2.4 (Executive Steering Committee)), and perform the other functions set forth in the SOWs.

2.3.2 **Subcontractors**. HortonWorks will not subcontract the Yahoo Services, in whole or in part, without Yahoo' s prior written approval (which will not be unreasonably withheld). HortonWorks agrees to: (i) impose on Subcontractors obligations consistent with the terms of the Agreement, and (ii) ensure that Subcontractors comply with the Agreement. HortonWorks' use of any Subcontractor will not relieve, waive, or diminish any obligation HortonWorks has under the Agreement. HortonWorks is solely responsible for the acts or omissions of Subcontractors. In addition, HortonWorks is solely responsible for the payment of any compensation due or allegedly due to Subcontractors, and Subcontractors may not seek payment (either directly or indirectly) from Yahoo.

2.3.3 **Removal**. Yahoo may request suspension of any Personnel or Subcontractor (or Subcontractor personnel) if Yahoo reasonably believes (and reasonably demonstrates to HortonWorks) that such Personnel or Subcontractor (or Subcontractor personnel) has violated or risks violating any confidentiality obligations (as set forth in Section 10 (Confidentiality)) or Site access and data security obligations (as set forth in Section 11 (Site Access and Data Security) and Exhibit E (Information Security Terms)). Upon such request, HortonWorks will immediately suspend such Personnel or Subcontractor (or Subcontractor personnel) from performing Yahoo Services hereunder and promptly replace (to the extent necessary) such Personnel or Subcontractor (or Subcontractor personnel) with other Personnel or Subcontractor (or Subcontractor personnel) reasonably acceptable to Yahoo while Yahoo and HortonWorks work together in good faith to resolve the concerns raised by Yahoo.

2.4 **Executive Steering Committee**. The Parties agree to establish and operate an executive steering committee (the "**Executive Steering Committee**") to facilitate cooperation and resolution of disputes under this Agreement and to handle the Change Order process more particularly described in Section 2.5 (Change Order Process). The Executive Steering Committee will be made up of two (2) representatives of each Party. HortonWorks' representatives on the Executive Steering Committee will include HortonWorks' Chief Executive Officer and Chief Operating Officer and Yahoo' s representatives on the Executive Steering Committee will be at least at the vice president level. Each Party may change its representatives on the Executive Steering Committee from time to time in its discretion, provided that HortonWorks will continue to include its Chief Executive Officer and Chief Operating Officer. The Executive Steering Committee will conduct regular meetings to discuss the status and priority of the Yahoo Services, any outstanding issues or concerns, and other matters related to the Hadoop Project and this Agreement. Such meetings will occur at least quarterly or on such other schedule agreed to by the Parties in writing.

2.5 **Change Order Process**. Either Party may request, in writing, revisions, modifications, enhancements, additions, and/or other improvements to a Yahoo Service or SOW (each a "**Change**"). All Changes must be included in a written change order proposal (each, a "**Change Order**") and will follow (and be subject to) the Change Order process described in this Section 2.5 (Change Order Process). All Changes must be mutually agreed upon by the Parties and approved by the Executive Steering Committee. HortonWorks will not commence and/or furnish any Professional Services pursuant to a Change Order until Yahoo has approved the Change Order and, as applicable, Yahoo has issued a revised Purchase Order for such Change Order. After or in connection with approval of a Change Order, the Parties may enter into an SOW for implementation of the Change Order. The SOW will include (i) any Changes or additions to the applicable schedule or required Deliverables, (ii) the fees to be paid by Yahoo to HortonWorks for implementing the SOW. Yahoo will not be responsible for any fees or costs incurred by HortonWorks or any permissible Subcontractor under a Change Order not approved by Yahoo or the Executive Steering Committee. To the extent there is a conflict between this Agreement and any Change Order, SOW, or Purchase Order, except as expressly agreed by the Parties in writing, this Agreement will take precedence and then the Change Order, SOW, and Purchase Order (in that order) will take precedence.

2.6 **Equipment and Services**. Except as explicitly set forth in this Agreement, each Party at its sole cost and expense, will provide all Information Systems, equipment, materials, and/or facilities, as well as any support and maintenance of any of the foregoing, as necessary for such Party' s performance of the Agreement.

2.7 **Software Delivery**. Each Party will contribute to the Apache Software Foundation any Hadoop Base Code developed by it (it being understood that a Party may also deliver Hadoop Base Code to the other Party as part of its activities hereunder).

2.8 **APIs**. HortonWorks will identify, document, make available to Yahoo and its Affiliates, and contribute and publish to the Apache Software Foundation, any and all external APIs included in the Hadoop Base Code developed or used by HortonWorks related to performance, availability, operability, elasticity, scalability, backward compatibility, multi-tenancy, security, monitoring, metering, management, data connectivity, and testing. HortonWorks will meet all of the foregoing obligations as soon as reasonably possible but no later than three (3) months following the inclusion of such API in the Hadoop Base Code to the extent such API was developed or updated by or for HortonWorks.

## 3. HADOOP BASE CODE SERVICES

3.1 **Performance of the Hadoop Base Code Services**. HortonWorks and Yahoo will collaborate in the performance of the following activities, in each case for the purpose of developing and contributing to the Apache Software Foundation a new Major Release version of a publicly available package of the Hadoop Base Code (the "**Next Hadoop Release**"): (i) planning, developing, testing, packaging and deploying to Yahoo Emergency Bug Fixes, Patch Releases, Sustaining Releases, and Major Releases of the Hadoop Base Code in accordance with this Agreement and Exhibit B (Hadoop Base Code Services), (ii) updating any current Release Candidate to resolve Errors reported by Yahoo during Yahoo' s acceptance testing of the current

Release Candidate, (iii) providing assistance with Yahoo' s deployment of the Yahoo-accepted Emergency Bug Fix, Patch Release, Sustaining Release, or Major Release on the Yahoo Production Servers, and (iv) providing any additional services set forth in Exhibit B (Hadoop Base Code Services) (collectively, the "**Hadoop Base Code Services**").

3.2 **Apache Contribution**. As soon as practicable but in no event later than thirty (30) days after delivery of any Hadoop Base Code under this Agreement, each Party respectively will contribute Hadoop Base Code to the appropriate Hadoop Project of the Apache Software Foundation under an Apache Contributor License; work with the Apache Software Foundation committer community to make such software acceptable to the Apache Software Foundation community; make such Hadoop Base Code available to the other Party under the Apache License in accordance with Section 2.7 (Software Delivery) and Section 2.8 (APIs); and make such Hadoop Base Code available generally to third parties under the Apache License. In addition, each Party will actively and reasonably encourage the Apache Software Foundation to incorporate Software contributed by either Party into the "official" latest stable release of the Hadoop Software.

3.3 **Technical Product Advisory Council**. HortonWorks will create and maintain a Hadoop Project customer working group comprising customer and third party representatives (the "**Advisory Council**"). The mission of the Advisory Council will be to provide customer input into the future direction of the Hadoop Project and priorities for the HortonWorks package of the Hadoop Software (including the associated technical roadmap). Yahoo will have the right to participate on no less than an equal basis than any other third party in the Advisory Council at its discretion. HortonWorks will select other members for the Advisory Council in its reasonable discretion. HortonWorks will take any necessary actions to reasonably support and maintain the activities of the Advisory Council. Under no circumstances will Yahoo be required to pay HortonWorks any fees to maintain its membership in the Advisory Council during the Term.

## 4. SUPPORT SERVICES

4.1 **Support Services**. HortonWorks will use commercially reasonable efforts to provide to Yahoo the support services for Hadoop Base Code set forth in Exhibit C (Support Services) (the "**Support Services**"). In connection with the Support Services, Yahoo may provide to HortonWorks remote access using the Supervised Access Sessions ("buddy system") to certain Sandbox Servers, Research Servers, and Production Servers as further described in and subject to Section 11.7 (Access to Other Servers) and Exhibit E (Information Security Terms). HortonWorks will contribute all Hadoop Base Code Software developed as part of the Support Services to the Apache Software Foundation in accordance with Section 3.2 (Apache Contribution).

4.2 **Cooperation**. HortonWorks shall not be responsible for any delay or failure in performing Support Services or any other Yahoo Services to the extent such delay or failure is due to Yahoo' s failure to provide HortonWorks reasonable and timely cooperation, information and assistance in connection therewith, and reasonable and timely access to all required Yahoo Servers and systems. Planned downtime to the Yahoo Servers which HortonWorks has been notified of and access to Yahoo Servers other than the QE Servers, Sandbox Servers, Research Servers or Production Servers as necessary to provide Tier 3 Support will not be considered a Yahoo failure under this Section 4.2 (Cooperation).

4.3 **Support for Affiliates.** The Support Services will include the provision of support as further described in Exhibit C (Support Services) directly to Yahoo in support of Yahoo' s Affiliates, only to the extent that Yahoo provides Tier 1 Support and Tier 2 Support for Hadoop to such Affiliate and such Affiliate is a wholly-owned subsidiary of Yahoo. At any Yahoo wholly-owned subsidiary' s request, subject to the reasonable availability of HortonWorks resources, HortonWorks will also provide direct support to such Affiliates in a separate agreement as agreed by HortonWorks on terms and conditions to be negotiated in good faith, provided that such terms and conditions (including with respect to pricing and responsiveness) shall be at least as favorable when taken as a whole as those offered to any similarly situated third party purchasing such support for with substantially similar configurations, requirements and volumes.

## 5. PROFESSIONAL SERVICES

5.1 **Professional Services in General.** Yahoo and HortonWorks may (but are not obligated to) mutually agree that HortonWorks will provide professional services as further described in Statements of Work to be agreed to by the Parties in writing ("**Professional Services**"). Yahoo will be entitled to purchase Professional Services under the Agreement by executing an agreed upon SOW with HortonWorks and submitting a Purchase Order.

5.2 **Statements of Work**. Upon execution of an SOW, HortonWorks will use commercially reasonable efforts to perform its obligations under the SOW by the dates set forth therein and such SOW will become part of this Agreement. Unless otherwise agreed by the Parties, each SOW will include terms that address the delivery, inspection, testing, and acceptance procedures applicable to the work product or Deliverables authored or developed thereunder and reasonable fees (which will not exceed [**] per hour), will include customary audit, warranties, indemnities, limitations of liability, ownership, and other provisions for professional services agreements, and will be in accordance with Section 2.5 (Change Order Process), as applicable.

5.3 **Professional Services Ordering**. Yahoo will issue a Purchase Order for Professional Services ordered under any SOW. HortonWorks agrees not to provide any Professional Services unless Yahoo issues a Purchase Order for such Professional Services. Yahoo makes no representations to HortonWorks as to the frequency of Purchase Orders or the scope of Professional Services that may be ordered. Any modifications to a Purchase Order must be in writing and pre-approved by both Parties in writing.

## 6. DEVELOPMENT CLUSTER ACCESS

6.1 **Development Cluster Services.** Yahoo will use commercially reasonable efforts to provide HortonWorks with remote access to certain of Yahoo' s development servers (collectively, the "**Development Servers**") as further set forth in such Exhibit D (Development Cluster Services) for the purposes of enabling HortonWorks to further the testing and



[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

development of the Hadoop Software features and functionality (the "**Development Cluster Services**"). HortonWorks will have the right to use the Development Servers solely for the purposes set forth in Exhibit D (Development Cluster Services) and may not use the Development Servers for any other purpose. HortonWorks' access to the Development Servers will be subject to and conditioned on HortonWorks' compliance with this Agreement (including the security terms in Exhibit E (Information Security Terms) and Section 11 (Site Access and Data Security), all Site Access Policies and Laws, and any applicable third party terms and conditions related to third party Software or hardware included in the Development Servers (of which HortonWorks has been made aware in writing in advance). If HortonWorks breaches an obligation described in this Section 6.1 (Development Cluster Services), Yahoo may suspend Development Server access to HortonWorks or to any Personnel immediately, provided that Yahoo discusses the reason for such suspension with HortonWorks and works in good faith with HortonWorks to address Yahoo' s concern and restore access promptly. If good faith efforts fail to address Yahoo' s concerns within thirty (30) days, Yahoo may terminate access to the Development Cluster. Yahoo may modify or update all or any aspects of the Development Servers at any time in Yahoo' s sole discretion, provided that any such modifications or updates do not adversely impact the Development Cluster Services (or the availability thereof) and HortonWorks is notified in writing of any material modification or update reasonably in advance via email to a HortonWorks Project Manager for the Development Cluster Services.

6.2 **Cooperation**. Yahoo shall not be responsible for any delay or failure in performing Development Cluster Services to the extent such delay or failure is due to HortonWorks' failure to provide Yahoo reasonable and timely cooperation, information and assistance in connection therewith, and reasonable and timely access to all required Development Servers and systems.

## 7. PRESS RELEASE; MARKETING

7.1 **Press Release**. Following execution of this Agreement, the Intellectual Property Agreement, and the Series A Preferred Stock Purchase Agreement, the Parties will issue a joint press release regarding Yahoo' s intention to continue use of the Hadoop Base Code and the Parties' cooperation to move the Hadoop Project forward in the marketplace. The foregoing joint press release must be approved in writing in advance by Yahoo (which approval will not be unreasonably withheld or delayed). Each Party will not otherwise release, issue, or permit to be made or issued any press release, public statement, or other public notice relating to this Agreement, without obtaining the prior written approval of the other Party.

7.2 **HortonWorks Marketing**. During the period beginning on the Closing Date and ending one (1) year thereafter, and as it deems appropriate, Yahoo will reasonably support HortonWorks' marketing with respect to the Next Hadoop Release. Yahoo will [**] of Hadoop Base Code [**] that Yahoo is implementing [**] the Hadoop Base Code. Nothing in this Section 7 (Press Release; Marketing) or this Agreement will require Yahoo to take any affirmative steps to [**], public or otherwise, regarding Yahoo' s activities. Yahoo may approve the use of the Yahoo trademarks in HortonWorks marketing materials that accurately describe Yahoo' s use of the Hadoop Base Code and that are in full compliance with Yahoo' s Guidelines for Use of Yahoo! Brand Features set forth at http://docs.yahoo.com/info/permissions/guidelines.html.



[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

HortonWorks must submit any public announcements, marketing and promotional materials related to Yahoo or that use the Yahoo trademarks for Yahoo' s prior approval in writing in advance (not to be unreasonably withheld or delayed).

7.3 **Yahoo Distribution**. Yahoo has publicly committed to discontinue the Yahoo distribution of the Hadoop Base Code. Yahoo will discontinue the Yahoo distribution of the Hadoop Base Code and update its web sites and GitHub account to reflect this. Yahoo may distribute any version of Hadoop Base Code to support any product or service of or for Yahoo or its Affiliates.

## 8. REPORTING

8.1 **Reports on Yahoo Services**. HortonWorks will provide to Yahoo a report within ten (10) days at the end of each calendar quarter detailing HortonWorks' (i) progress on the various Yahoo Services, including any SOWs and estimated and incurred fees and costs, (ii) a report regarding Support Services, including outstanding and resolved Errors, status and timing of resolution, and other matters as further described in Exhibit C (Support Services); and (iii) and other such updates and information related to performance of the Yahoo Services reasonably requested by Yahoo.

## 9. COMPENSATION AND PAYMENT TERMS

9.1 **Fees and Payments.** The fees and payments described in Section 9 (Compensation and Payment Terms) will be the only consideration to be paid for provision of the Yahoo Services and Development Cluster Services and no other fees or payments of any kind will be required to be paid in connection with this Agreement or the Intellectual Property Agreement, by Yahoo in connection with the Yahoo Services, or by HortonWorks in connection with the Development Cluster Services.

9.2 **Compensation for Support Services and Hadoop Base Code Services**. In consideration for the Support Services and Hadoop Base Code Services, Yahoo will pay HortonWorks the fees set forth in Exhibit F (Fees) ("**Support Fees**"). The Support Fees will be paid on a quarterly basis, in advance. HortonWorks will invoice such fees to Yahoo on the Closing Date or shortly thereafter (for the period between the Closing Date and the end of the then-current calendar quarter, prorated as applicable) and at the beginning of each calendar quarter during the Term (for such calendar quarter), and Yahoo agrees to pay such invoices within forty-five (45) days after receipt of the invoice.

9.3 **Most Favored Nation Status**. If, during the term of this Agreement, HortonWorks enters into an agreement to provide any of the Yahoo Services (or any functionally and substantially equivalent services) to any similarly situated third party for a lower price (including, without limitation, for no fee or other consideration) or under a lower pricing arrangement and under terms, conditions, and mutual obligations that correspond in substance when taken as a whole to the terms, conditions, and mutual obligations in this Agreement with respect to the Yahoo Services, then HortonWorks agrees to notify Yahoo promptly and provide to Yahoo such lower price or pricing formula or arrangement retroactively back to the date first

provided to such other third party and reimburse Yahoo for any overpaid amounts. HortonWorks agrees to abide by its obligations under this Section 9.3 (Most Favored Nation Status) in good faith.

9.4 **Invoices**. All invoices must be submitted to Yahoo at the following address: Yahoo! Inc., 701 First Avenue, Sunnyvale, CA 94089, Attention: Accounts Payable with a copy to the designated Yahoo Project Manager. In certain cases, a Party may elect, or require, payment through automated payment processing, in which event the proper ACH form will be promptly provided by such Party.

9.5 **Payment Errors**. If HortonWorks incorrectly applies Yahoo' s payment (in whole or in part) to a Purchase Order number other than to the Purchase Order number referenced by Yahoo for the applicable Yahoo Services, HortonWorks will promptly apply such payment to the correct Purchase Order and issue a written confirmation of such correction to Yahoo.

9.6 **Costs and Expenses**. Except to the extent otherwise agreed herein, neither Party will be entitled to reimbursement for any cost or expense unless the cost or expense: (i) is set forth in the applicable SOW, (ii) if for travel or accommodations, was incurred consistent with the Travel Policy, (iii) is detailed on the corresponding invoice and accompanied by supporting documentation, and (iv) is billed at cost.

9.7 **Taxes**. Amounts payable for Yahoo Services will not include any taxes, and HortonWorks will be solely responsible for all taxes, unless Yahoo expressly agrees otherwise in writing; provided however, in no event will Yahoo be liable for any income taxes imposed on HortonWorks or any other taxes or charges assessed against HortonWorks or associated with the operation of HortonWorks' business.

9.8 **Currency**. Unless otherwise agreed by the Parties in writing, all payments hereunder will be invoiced and paid in U.S. currency, regardless of the location in which the services are performed.

## 10. CONFIDENTIALITY

10.1 **Confidential Information**. "**Confidential Information**" means any and all information and material disclosed by either Party to the other or learned by a Party through physical or remote inspection or observation of the other Party' s servers or premises (whether in writing, or in oral, graphic, electronic, or any other form) that is marked or described as or identified in writing as, confidential or proprietary. Confidential Information, includes, without limitation, any (i) Yahoo Data, (ii) trade secret, know-how, idea, invention, patent application, process, technique, algorithm, Software, hardware, device, design, schematic, identification, or names of servers and other hardware, drawing, formula, data, plan, strategy, and forecast, and (iii) technical, engineering, product, marketing, servicing, financial, personnel, and other proprietary information and materials; provided, in each case, that such information is marked, designated or identified as provided above. Notwithstanding the foregoing, the Parties agree that (a) all information and material disclosed to or learned by HortonWorks through the Supervised

Access Sessions and (b) the Confidential Licensed Hadoop Assets will be deemed and treated as Confidential Information of Yahoo hereunder regardless of whether it is marked, designated or identified as confidential or proprietary.

10.2 **Non-disclosure and Limited Use**. Each party will hold all Confidential Information of the other Party in strict confidence and will not disclose, sell, license, transfer, or otherwise make available any Confidential Information of the other Party to any third party. The receiving Party will disclose such Confidential Information only to its personnel and its subcontractors' personnel who have a legitimate need to know such information in connection with such Party' s performance of this Agreement and who are bound in writing by restrictions regarding disclosure and use of such information comparable to and no less restrictive than those set forth herein. The receiving Party will not use, copy or reproduce any such Confidential Information for the benefit of itself or any third party or for any purpose except to the extent reasonably necessary to exercise its rights or perform its duties under this Agreement or the Intellectual Property Agreement. The receiving Party will take the same degree of care that it uses to protect its own confidential and proprietary information of similar nature and importance (but in no event less than reasonable care) to protect the confidentiality and avoid the unauthorized use, disclosure, publication, or dissemination of the Confidential Information of the other Party. Any copies made by the receiving Party will be identified as the property of the disclosing Party and marked "confidential," "proprietary," or with a similar legend. All Confidential Information will remain the property of the disclosing Party and all documents, electronic media, and other tangible items or portions thereof, which contain Confidential Information will be delivered to the disclosing Party promptly upon the other Party' s written request. The obligations of this Section 10.2 (Non-disclosure and Limited Use) with respect to any item of Confidential Information will survive any termination or expiration of this Agreement.

10.3 **Confidentiality of Agreement**. Subject to Section 7.1 (Press Release), each Party may disclose the existence and general nature of this Agreement, but agrees that the terms and conditions of this Agreement will be treated as confidential; provided, however, that each Party may disclose the terms and conditions of this Agreement (i) as required by any court or governmental authority; (ii) as otherwise required by law or applicable rule or regulation (including any rule or regulation of a stock market or exchange); (iii) in confidence to legal counsel and accountants of the Parties and to actual or potential investors, lenders or acquirors; and (iv) in connection with the enforcement of this Agreement or rights under this Agreement.

10.4 **Exceptions**. The confidentiality obligations set forth in Section 10 (Confidentiality) do not apply to any information that (i) is or becomes publicly known to the public (other than through a breach of this Agreement by the receiving Party after the Closing Date), (ii) was known to the receiving Party, without a duty of confidentiality owed to the disclosing Party, at the time of disclosure hereunder, (iii) becomes known to the receiving Party, without a duty of confidentiality owed to the disclosing Party, from a source other than the disclosing Party, (iv) is independently developed by the receiving Party without use of the Confidential Information of the disclosing Party, or (v) is included within the Licensed Hadoop Assets (other than Confidential Licensed Hadoop Assets). Each Party may disclose Confidential Information of the other in connection with subpoenas, court orders, other legal processes, or as

otherwise required by law, provided that such Party subject to the requirement gives the other Party prompt written notice of such requirement (unless expressly prohibited in writing in such subpoena, court order, or other legal process) prior to such disclosure to enable such Party to seek a protective order or otherwise prevent or restrict such disclosure and takes reasonable steps to protect the Confidential Information from public disclosure, and provided further that any such disclosure is limited to the minimum extent necessary to comply with the legal requirement.

## 11. SITE ACCESS AND DATA SECURITY

11.1 **Physical Site Access**. If Yahoo Services are to be performed at a Site, Yahoo will permit HortonWorks reasonable access to the applicable Site(s) subject to the terms of this Section 11.1 (Physical Site Access) and all applicable Site Access Policies. HortonWorks will provide Yahoo a list of all Personnel that require access to the Site(s) and will maintain a current list, which will be available to Yahoo at all times. Any Personnel failing a background investigation, as required under Section 11.3 (Background Checks), will be denied access to any Site. In the event HortonWorks is granted Site access, HortonWorks will use commercially reasonable efforts to perform its obligations without interfering with Users or Yahoo' s operations in or around the Site(s). HortonWorks will appoint a designated point of contact for all matters relating to HortonWorks' compliance with this Section 11.1 (Physical Site Access) and the Site Access Policies. In no event will any Personnel access any Site without advanced written authorization from Yahoo. Any Personnel accessing a Site must at all times be escorted by an authorized Yahoo employee.

11.2 **Identification Badges**. All Personnel working at a Site will wear a visible Yahoo-issued identification. Immediately upon the termination or reassignment of Personnel who worked at a Site, HortonWorks will promptly provide written notice to the Yahoo security office, and return all security badges and access cards issued to HortonWorks for such Personnel.

11.3 **Background Checks**. HortonWorks will conduct (and Yahoo may elect to independently conduct) a background check on all Personnel (including, criminal records and civil judgments, professional license verifications, motor vehicle records, social security number, court records, military service records, other public records reports, and verifications of employment, and education) prior to such Personnel undertaking any action in connection with the Agreement; provided that such requirement shall not apply to any such Personnel who are former Yahoo employees transitioned from Yahoo directly to HortonWorks.

11.4 **Network and Data Security**.

11.4.1 To the extent any Network-Data Communication occurs in connection with the use or performance of the Yahoo Services or in connection with the Development Cluster Services: (i) such Network-Data Communication will be limited solely to HortonWorks' performance of its obligations or exercise of rights hereunder, and (ii) HortonWorks will (and will cause its Personnel to) comply with the terms set forth in Exhibit E (Information Security Terms).

11.4.2 HortonWorks will ensure that each of its Personnel who is permitted to access Yahoo' s Information Systems (including the Development Servers) pursuant to this Agreement: (i) will be assigned a separate log-in ID by Yahoo and will use only that ID when logging onto Yahoo' s Information Systems (including the Development Servers); (ii) will log off from Yahoo' s Information Systems or Development Servers immediately upon completion of their use thereof or at least once every twenty-four (24) hours, whichever is sooner; (iii) will not allow any other individuals to access Yahoo' s Information Systems (including the Development Servers); and (iv) will keep confidential the ID and all other information that enables such access. HortonWorks will promptly (and, in any event, within twenty-four (24) hours) notify Yahoo upon termination of any Personnel with access to Yahoo' s Information Systems (including the Development Servers) so that Yahoo may change access codes for such Personnel and take other necessary preventive measures to prevent unauthorized access.

11.4.3 As between Yahoo and HortonWorks under this Agreement, Yahoo Data collected, used, or stored by HortonWorks will be the sole and exclusive property of Yahoo. If Yahoo requests that HortonWorks complete and sign a HortonWorks data security disclosure form, HortonWorks will provide such disclosure form in the form and substance requested by Yahoo within five (5) days of Yahoo' s request, and any such HortonWorks data security disclosure form will be treated by HortonWorks as Confidential Information.

11.4.4 It is not anticipated that HortonWorks will have access to Personal Information in connection with its provision of the Yahoo Services (except through Supervised Access Sessions). HortonWorks will not (and will not attempt to) collect, use, access, retrieve or disclose in connection with the Agreement any Personal Information without Yahoo' s prior express written consent. In the event any Personnel is authorized to access or view Personal Information during any Supervised Access Session, HortonWorks will not (and will cause such Personnel not to) document, take pictures or screenshots of, or otherwise try to retain or memorize, the Personal Information and HortonWorks will (and will cause such Personnel to) otherwise take reasonable and necessary steps to ensure that such Personal Information is not shared with or disclosed to any other Personnel or other Persons. HortonWorks' breach of this Section 11.4.4 will automatically be deemed and be treated as a Security Issue pursuant to Exhibit E (Information Security Terms).

11.5 **Yahoo Server Access**. All access to Yahoo Servers by HortonWorks Personnel will be subject to and in compliance with the terms of this Section 11.5 (Yahoo Server Access). In order to gain access to Yahoo Servers, HortonWorks will: (i) provide to Yahoo the names of all Personnel who require access, (ii) demonstrate a valid business need for such individual(s) to be provided with access, (iii) provide to Yahoo a copy of a recently completed background check report for each such individual on whose behalf access is being requested (except if such background check is not required under Section 11.3 (Background Checks)), and (iv) describe the scope and nature of the requested access needed by each such Personnel to perform his or her job functions. If HortonWorks Personnel require additional access rights subsequent to Yahoo' s issuance of authentication credentials, HortonWorks must request approval for those rights by repeating the process outlined above. HortonWorks will ensure that all credentials for accessing or using any Yahoo Servers are used and stored by its Personnel in a manner consistent with the obligations set forth in this Agreement and the terms of Exhibit E (Information Security Terms).

Yahoo may immediately suspend HortonWorks' or any Personnel' s access to any Yahoo Server at any time for maintenance purposes and Yahoo may terminate such access if it reasonably believes that continued access by HortonWorks or such Personnel poses a meaningful risk to Yahoo, its systems, data or interests. In the event that access is suspended or terminated by Yahoo subject to the terms of this paragraph, Yahoo will promptly notify HortonWorks and the Parties will work in good faith to address and resolve the issue(s) that led to the suspension or termination of such access in a timely manner.

11.6 **Access to Development Servers**. Upon their receipt of access credentials for the Development Servers, and subject to the terms of Section 11.1 (Physical Site Access), HortonWorks' employees will have direct remote access to the Development Servers.

11.7 **Access to Other Servers**. HortonWorks access to the QE Servers, Sandbox Servers, Research Servers and Production Servers (i) will be limited to work performed by HortonWorks in connection with the Yahoo Services for Yahoo' s benefit, (ii) will only take place via Yahoo-monitored Supervised Access Sessions ("buddy system"), and (iii) must be arranged with a Yahoo designated supervisor for Supervised Access Sessions in advance (including articulating a basis for and proposed scope for requesting such access), except in the case of addressing P0 Errors, P1 Errors or a Security Issue, where Yahoo and HortonWorks will cooperate to arrange for Yahoo-monitored Supervised Access Session as appropriate to meet applicable service levels for such incidents. As part of the Supervised Access Sessions, Yahoo will initiate a shared desktop session from which both Yahoo personnel and HortonWorks Personnel can co-browse the session. The sessions will be required to come from a Yahoo machine, Yahoo personnel will monitor the session (including the right to record the session via audio and/or video), and at all times Yahoo will control the state of the session, including the ability to modify, suspend or terminate the session at anytime. Yahoo will determine the appropriate tools for such support sessions (e.g., Adobe Connect), including the right to change such tools from time to time at its sole discretion. Yahoo will make a list of Yahoo' s designated supervisor for Supervised Access Sessions available to HortonWorks. Furthermore, HortonWorks agrees not to take any screen shots, video or audio recording of, or otherwise attempt to retain any Confidential Information embodied in or accessible or viewable from, the QE Servers, Sandbox Servers, Research Servers and Production Servers. HortonWorks will ensure that no code, software, or data belonging to a third party will be stored on any of the QE Servers, Sandbox Servers, Research Servers or Production Servers without express written pre-approval by a Yahoo personnel specifically identified by Yahoo in advance as authorized to review such code. HortonWorks will not take any action via access to the QE Servers, Sandbox Servers, Research Servers, or Production Servers that materially adversely affects the Supported Hadoop Software or Yahoo' s systems.

11.8 **Subcontractors**. All references to personnel in this Section 11 (Site Access and Data Security) include references to Subcontractors and Subcontractor personnel.

## 12. REPRESENTATIONS AND WARRANTIES

12.1 **HortonWorks Warranties**. HortonWorks represents and warrants that: (i) it is a validly existing business entity, duly licensed and qualified to carry on its business/operations

and perform its obligations, (ii) it has all rights, licenses, permits, qualifications, and consents necessary to perform the Yahoo Services, (iii) its performance under the Agreement does not and will not violate or cause a breach of the terms of any other agreement to which it is a party, (iv) it is not in default of any other agreement and there are no proceedings threatened or pending under order of any court, arbitrator, administrative agency, or other authority, which would affect performance of the Agreement, (v) it will deliver and perform all Yahoo Services in a professional and workmanlike manner in accordance with this Agreement, (vi) to its knowledge, the Hadoop Base Code made available to Yahoo under this Agreement (and the media on which such items are performed and/or delivered) will be free of viruses, Trojan horses, trap doors, backdoors, Easter eggs, logic bombs, worms, time bombs, cancelbots, and/or other computer programming routines that are designed to damage, interfere with, intercept, disable, deactivate, or expropriate any Information System of Yahoo, its Affiliates, or its or their Users, and (vii) it will take all necessary precautions to prevent injury to any person or damage to any property while performing the Yahoo Services.

12.2 **Yahoo Warranties**. Yahoo represents and warrants that: (i) it is a validly existing business entity, duly licensed and qualified to carry on its business/operations and perform its obligations, (ii) it will perform all of its activities hereunder in a professional and workmanlike manner in accordance with this Agreement, and (iii) to its knowledge, the Hadoop Base Code made available to HortonWorks under this Agreement (and the media on which such items are performed and/or delivered) will be free of viruses, Trojan horses, trap doors, backdoors, Easter eggs, logic bombs, worms, time bombs, cancelbots, and/or other computer programming routines that are designed to damage, interfere with, intercept, disable, deactivate, or expropriate any Information System of HortonWorks or its customers.

12.3 **Warranty Disclaimers**. EXCEPT AS EXPRESSLY PROVIDED IN SECTION 12.1 (HORTONWORKS WARRANTIES) OR 12.2 (YAHOO WARRANTIES) AND AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, ALL SOFTWARE PROVIDED HEREUNDER IS PROVIDED "AS IS", AND NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES REGARDING THIS AGREEMENT OR THE SUBJECT MATTER HEREOF, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT OR IMPLIED WARRANTIES ARISING OUT OF COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE.

## 13. INDEMNIFICATION

13.1 **Indemnity for Yahoo Services**. HortonWorks will indemnify, defend and hold harmless the Yahoo Entities from all third party claims that arise out of or in connection with (i) the negligence of HortonWorks in the provision of the Yahoo Services, (ii) HortonWorks' use or access of the Development Servers in a manner that breaches the terms of this Agreement, (iii) breach or alleged breach of the security terms in Section 11 (Site Access and Data Security) and in Exhibit E (Information Security Terms), (iv) breach or alleged breach of the warranties made by HortonWorks in Subsections 12.1(vi) and 12.1(vii) (HortonWorks Warranties), or (v) any claim that any Software developed and contributed during the Term by HortonWorks to the Hadoop Base Code and delivered to Yahoo hereunder misappropriates or infringes any trade secret or copyright of a third party (collectively "**HortonWorks Claim(s)**").

13.2 **Yahoo Indemnity**. Yahoo will indemnify, defend and hold harmless HortonWorks, its Affiliates and their officers, directors, consultants, contractors, agents, attorneys, and employees from all third party claims that arise out of or in connection with (i) breach or alleged breach of the warranties made by Yahoo in Subsection 12.2(iii) (Yahoo Warranties), or (ii) any claim that any Software developed and contributed during the Term by Yahoo to the Hadoop Base Code and delivered to HortonWorks hereunder misappropriates or infringes any trade secret or copyright of a third party ("**Yahoo Claim(s)**").

13.3 **Procedures**. For purposes of this Section 13.3 (Procedures) the term "**Claim**" shall mean a HortonWorks Claim when HortonWorks is the indemnifying Party and shall mean a Yahoo Claim when Yahoo is the indemnifying Party. The Party seeking indemnity will provide prompt notice of the commencement of the Claim and (at the indemnifying Party' s sole expense) reasonably cooperate to facilitate the settlement or defense of such Claim. The indemnifying Party is solely responsible for defending any Claim, subject to such indemnifying Party' s right to participate with counsel of its own choosing at its own expense, and for payment of all judgments, settlements, damages, losses, liabilities, costs, and expenses, including reasonable attorneys' fees, resulting from all Claims against an indemnified Party (subject to Section 15 (Limitation of Liability)). The indemnifying Party will not agree to any settlement that imposes any obligation or liability on an indemnified Party without such indemnified Party' s prior express written consent (which will not be unreasonably withheld).

## 14. INSURANCE

14.1 **Coverage**. HortonWorks will obtain and keep in effect, at HortonWorks' expense, insurance coverage as follows: (i) comprehensive general liability insurance, on an occurrence policy form, with policy limits equal to or greater than $1,000,000 per occurrence (combined single limit) and $2,000,000 in the aggregate, covering operations by or on behalf of HortonWorks, including coverage for: (a) premises and operations, (b) products and completed operations, (c) broad-form contractual liability, (d) broad-form property damage (including completed operations), and (e) personal injury liability/advertising injury; (ii) employee dishonesty insurance, naming Yahoo! Inc. as a loss payee, with policy limits equal to or greater than $250,000; (iii) professional liability insurance, on a "claims made" policy form, including errors and omissions coverage, with policy limits equal to or greater than $5,000,000 annual aggregate; (iv) automobile liability insurance, including coverage for all owned (to be added if and when HortonWorks owns any automobiles), hired, and non-owned automobiles with policy limits equal to or greater than $1,000,000 combined single limit for each accident for bodily injury and property damage; (v) workers' compensation and/or employer' s liability insurance as required by Laws where the Yahoo Services are performed, provided, however, that in no event will policy limits be less than $1,000,000 each accident for bodily injury by accident, and $1,000,000 each employee for bodily injury by disease policy limit; (vi) umbrella liability insurance, on an occurrence policy form, with policy limits of $10,000,000 per occurrence and in the aggregate; and (vii) such other liability insurance coverage and policy limits as may be requested by Yahoo.

14.2 **Certificates and Policies of Insurance**. A Certificate of Insurance and a complete form of the policy of insurance evidencing the required coverage and limits of liability must be furnished to Yahoo before HortonWorks provides any Yahoo Services, but in no event later than forty-five (45) days after the Closing Date, and at such other times as requested by Yahoo. Yahoo may provide specific requirements for the form of policy and may reject in its sole discretion any form of policy which it deems unsuitable. HortonWorks or its insurance carrier(s) will provide Yahoo thirty (30) days written notice prior to cancellation or intent not to renew any insurance coverage(s) required to be maintained by the Agreement. All insurance policies will be written by financially viable companies rated by A. M. Best as A-VII or better and duly licensed and authorized to do business in the state, province or territory in which HortonWorks is located. Insurance coverage will provide coverage for claims, liabilities, or damages related to or resulting from the Yahoo Services and receipt of the Development Cluster Services, and Yahoo will be named as an additional insured under HortonWorks' policies for comprehensive general liability insurance and professional liability insurance. Policy deductibles will not be more than $100,000, and HortonWorks will notify Yahoo of the amount of any applicable deductibles. HortonWorks agrees to indemnify and hold Yahoo harmless for covered losses and/or occurrences that fall within any applicable deductible. HortonWorks will furnish copies of any endorsements subsequently issued which amend or renew coverage or limits required to be maintained by the Agreement within thirty (30) days of the effective date of such renewal coverage or modification. Certificates of insurance will be mailed to: Yahoo! Inc., Procurement Department, 701 First Avenue, Sunnyvale, CA 94089.

14.3 **Continuation of Insurance**. HortonWorks will keep all liability insurance coverage required by the Agreement in effect for at least four (4) years after the expiration or termination of the Agreement. All policies, if any, providing insurance on a "claims made" basis will provide coverage applicable to loss or damage arising out of acts or injuries that occur at any time that liability insurance is required to be maintained by HortonWorks by the Agreement.

14.4 **Obligations**. In no event will the insurance coverage, deductible, self-insured retention, or limits of any insurance maintained by HortonWorks under the Agreement, or the lack or unavailability of any other insurance, limit, or diminish in any way HortonWorks' obligations or liability to Yahoo under the Agreement.

## 15. LIMITATION OF LIABILITY

EXCEPT FOR (A) A PARTY' S BREACH OF ITS CONFIDENTIALITY OBLIGATIONS IN SECTION 10 (CONFIDENTIALITY) OF THIS AGREEMENT OR IN SECTION 7 (CONFIDENTIALITY) OF THE TRANSITION SERVICES AGREEMENT, (B) HORTONWORKS' BREACH OF SECTION 11 (SITE ACCESS AND DATA SECURITY) OF THIS AGREEMENT, (C) HORTONWORKS' BREACH OF SECTIONS 3.2 (FACILITIES RESTRICTIONS), 4.3 (SYSTEM ACCESS RESTRICTIONS) OR 5.2 (SECURITY RESTRICTIONS) IN THE TRANSITION SERVICES AGREEMENT, OR (D) HORTONWORKS' BREACH OF SECTION 2.1.2 (CONFIDENTIAL LICENSED HADOOP ASSETS) OF THE INTELLECTUAL PROPERTY AGREEMENT (COLLECTIVELY, "SPECIAL TERMS"), IN NO EVENT WILL HORTONWORKS AND/OR ANY YAHOO ENTITY BE LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS

AGREEMENT, THE TRANSITION SERVICES AGREEMENT OR THE INTELLECTUAL PROPERTY AGREEMENT, UNDER ANY LEGAL OR EQUITABLE THEORY (INCLUDING STRICT LIABILITY OR NEGLIGENCE) FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE AGREEMENT. EXCEPT FOR BREACH OF THE SPECIAL TERMS, IN NO EVENT WILL A PARTY' S AGGREGATE LIABILITY UNDER THIS AGREEMENT, THE TRANSITION SERVICES AGREEMENT AND THE INTELLECTUAL PROPERTY AGREEMENT (COLLECTIVELY) EXCEED [**] IN THE AGGREGATE. WITH RESPECT TO ANY BREACH OF THE SPECIAL TERMS, IN NO EVENT WILL A PARTY' S AGGREGATE LIABILITY UNDER THIS AGREEMENT, THE TRANSITION SERVICES AGREEMENT AND THE INTELLECTUAL PROPERTY AGREEMENT (COLLECTIVELY) EXCEED [**] IN THE AGGREGATE; PROVIDED, HOWEVER, THAT WITH RESPECT TO A WILLFUL (I.E., VOLUNTARY OR INTENTIONAL, WHETHER OR NOT MALICIOUS) BREACH BY HORTONWORKS OF SECTION 2.1.2 (CONFIDENTIAL LICENSED HADOOP ASSETS) OF THE INTELLECTUAL PROPERTY AGREEMENT, THE FOREGOING LIMITS SHALL NOT APPLY. FURTHER, FOR CLAIMS BASED ON FACTS ARISING SOLELY AFTER EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT, THE AGGREGATE LIMITS SET FORTH ABOVE SHALL BE REDUCED FROM [**] TO [**] (WITH RESPECT TO LIABILITY FOR ANY MATTER OTHER THAN BREACH OF SPECIAL TERMS) AND FROM [**] TO [**] (WITH RESPECT TO ANY BREACH OF THE SPECIAL TERMS), RESPECTIVELY (SUBJECT TO THE SAME EXCEPTION FOR WILLFUL BREACH OF SECTION 2.1.2 (CONFIDENTIAL LICENSED HADOOP ASSETS) OF THE INTELLECTUAL PROPERTY AGREEMENT).

## 16. TERM AND TERMINATION

16.1 **Term**. Unless earlier terminated as provided herein, the term of this Agreement will commence on the Closing Date and continue for a period of two (2) years (the "**Term**"). Notwithstanding the foregoing, upon the first anniversary of the Closing Date, the Parties' respective rights or obligations under the following Sections and Exhibits will terminate: Section 3 (Hadoop Base Code Services) and Exhibit B (Hadoop Base Code Services), but, for clarity, the termination of such services shall not alter the Support Fees payable by Yahoo under this Agreement for the remainder of the Term.

16.2 **Termination of Agreement for Cause**. Either Party may terminate this Agreement, as a whole, by written notice to the other Party if the other Party (a) materially breaches any provision of this Agreement and such breach is not cured within thirty (30) days after written notice thereof is received by the other Party, provided that in the event such breach is not reasonably capable of being cured during such thirty (30) day period, the non-breaching Party may not terminate the Agreement if the other Party has taken commercially reasonable efforts to cure the breach and mitigate the effects (and/or address the cause) thereof; or (b) ceases business operations (unless there has been a permitted transfer of its business in accordance with Section 17.1 (Assignment)), becomes insolvent, or is subject to any bankruptcy or other similar legal processes or proceedings (and with respect to involuntary processes or proceedings, such proceedings are not dismissed within thirty (30) days after having been instituted).



[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

Notwithstanding the foregoing, if Yahoo reasonably believes that HortonWorks' (or any Personnel' s) breach of Section 11 (Site Access and Data Security) poses a meaningful risk to Yahoo, its systems, data or interests, Yahoo may suspend this Agreement immediately. Upon such suspension, Yahoo will promptly advise HortonWorks of the reason for such suspension and HortonWorks will have thirty (30) days to resolve Yahoo' s concerns. During the suspension, Yahoo will cooperate in good faith with HortonWorks as required to enable HortonWorks to address Yahoo' s concerns. If HortonWorks fails to address Yahoo' s concerns within thirty (30) days, Yahoo may terminate this Agreement immediately upon written notice to HortonWorks.

16.3 **Termination for Convenience**. In addition, at any time after the first nine (9) months following the Closing Date, Yahoo may terminate this Agreement, with or without cause, upon ninety (90) days' prior written notice to HortonWorks. In the event of termination pursuant to this Section 16.3 (Termination for Convenience), both Parties will continue to provide the terminated services during the notice period.

16.3.1 **Wind-down of Terminated Services**. Upon any termination or expiration of any Yahoo Services (or any portion thereof) or Development Cluster Services, the Party providing the applicable services ("**Servicing Party**") will continue to provide the terminated services until the effective date of such termination (except as otherwise instructed in writing by the non-Servicing Party if termination is desired earlier, provided that such instruction shall not relieve the non-Servicing Party of its obligation to pay any fees); cease performance of the terminated services in an efficient, workmanlike and cost-effective manner; and cooperate with the non-Servicing Party in the transition as requested by the non-Servicing Party, including by providing know-how, information and materials reasonably requested by the non-Servicing Party to which the non-Servicing Party is entitled to have access (subject to Section 10 (Confidentiality)), at the non-Servicing Party' s reasonable expense.

16.4 **Effect of Termination**. Upon termination or expiration of this Agreement, any Yahoo Service, or the Development Cluster Services, each Party will promptly return to the other Party or securely destroy (in a manner pre-approved by such other Party in writing) all property of such other Party in such Party' s possession, including, without limitation, all Confidential Information (except Confidential Licensed Hadoop Assets) of such other Party (including all copies thereof) and, with respect to HortonWorks as the receiving Party, any security badges and access cards issued to HortonWorks (or, in the case of a terminated service, the portion of the foregoing relevant to the terminated service). The following Sections (and referenced Exhibits) will survive the expiration or any termination of this Agreement: 1 (Definitions), 10, (Confidentiality), 12.3 (Warranty Disclaimer), 13 (Indemnification), 15 (Limitation of Liability), 16.4 (Effect of Termination), 18.2 (Schedules; Exhibits; Integration), 18.7-18.14, 18.17 (Cumulative Remedies).

## 17. CORPORATE TRANSACTIONS

17.1 **Assignment**. Neither Party may transfer or assign this Agreement without the consent of the other Party. In the case of Change of Control that requires a transfer or assignment of this Agreement, a Party may transfer or assign this Agreement (together with its

rights and obligations thereunder) without the consent of the other Party. In the case of any transfer or assignment of this Agreement, including in connection with any Change of Control, HortonWorks may only transfer or assign this Agreement (together with the rights and obligations hereunder), or structure such Change of Control such that this Agreement (together with the rights and obligations hereunder) is transferred or assigned, concurrent with the transfer or assignment of the Intellectual Property Agreement and to the same Person, provided that if a Change of Control of Yahoo results in a significant increase in the scope of the Support Services required to be provided by HortonWorks, HortonWorks' obligations with respect to such Support Services will be limited to the scope of the Support Services provided by HortonWorks prior to such Change of Control, plus reasonable increases of such scope over time, consistent with the rate of increase in such scope prior to such Change of Control. For clarity, any successor to a Yahoo product or service supported prior to the Change of Control will be considered within the scope the Support Services provided by HortonWorks. Without limiting any of the foregoing, any transferee or assignee will (and, as a condition to the transfer or assignment, must) expressly agree in writing to be bound by the terms and conditions of this Agreement (including the obligation to license and to subject further transferees or assignees to this Agreement), and upon consummation of the transfer or assignment, references herein to the transferring or assigning Party will be to the transferee or assignee. Any assignment or transfer inconsistent with this Section 17.1 (Assignment) will be null and void. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the Parties and their permitted successors, transferees and assigns.

17.2 **Spin-off by Yahoo**. Notwithstanding anything to the contrary, if Yahoo (or an Affiliate of Yahoo) spins off a business or product line by selling, transferring, or otherwise disposing of it to a third party, or reduces ownership or control in an Affiliate so that it is no longer an Affiliate of Yahoo, HortonWorks will continue to provide Support Services to such spun-off business or product line or former Affiliate in accordance with the terms and conditions of Section 4.3 (Support for Affiliates) (to the extent such Affiliate qualified for Support Services immediately prior to spin-off) for a period the shorter of (i) twelve (12) months or (ii) the remaining Term of the Agreement following the consummation of such transaction, in each case, solely with respect to the systems and Software utilized by the spun-off business or product line or former Affiliate prior to the consummation of such transaction (and their successor systems and Software). Except as expressly set forth in this Section 17.2 (Spin-off by Yahoo), such spun-off business or product line or former Affiliate shall retain no rights granted to Yahoo' s Affiliates or Yahoo in this Agreement (including any rights granted in Section 9.3 (Most Favored Nation Status)). For clarity, HortonWorks will only be required to provide indirect Tier 3 Support for Hadoop for any such spun-off business or product line or former Affiliate, and only for so long as Yahoo is providing Tier 1 Support and Tier 2 Support for Hadoop therefor (subject to earlier expiration of such obligation as set forth above).

17.3 **Change of Control Definition**. As used herein, the term "**Change of Control**" means any of the following with respect to a Party: (i) any Person (or a group of Persons acting together), becomes, through one or more related transactions, a "beneficial owner" (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) of fifty percent (50%) or more of either (a) the then outstanding shares of common stock of such Party or (b) the combined voting power of the then outstanding voting securities of such Party

entitled to vote generally in the election of directors; (ii) such Party merges, consolidates, acquires, is acquired by, or otherwise combines with any Person or group of Persons in a transaction in which such Party is not the surviving entity; or (iii) the sale, transfer, or other disposition of all or substantially all of the assets of such Party to any Person or group of Persons (including any intercompany transfer between one or more Yahoo Entity). HortonWorks will advise Yahoo promptly regarding any actual Change of Control.

## 18. GENERAL

18.1 **Amendments; Waiver**. This Agreement and any schedule or exhibit attached hereto may be amended only by agreement in writing of the Parties hereto. No waiver of any provision or consent to any exception to the terms of this Agreement will be effective unless in writing and signed by the Party to be bound and then only to the specific purpose, extent, and instance so provided.

18.2 **Schedules; Exhibits; Integration**. Each schedule and exhibit delivered pursuant to the terms of this Agreement will be in writing and will constitute a part of this Agreement, although schedules need not be attached to each copy of this Agreement. This Agreement, together with such schedules and exhibits, constitutes the entire agreement among the Parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings of the Parties in connection therewith.

18.3 **Force Majeure**. A Party will be excused from a delay in performing, or a failure to perform, its obligations under the Agreement to the extent such delay or failure is caused by the occurrence of any contingency beyond the reasonable control, and without any fault, of such Party, such as acts of God, wars, riots, power failures, tsunamis, earthquakes, tornados, hurricanes, volcanic eruptions, fires, and floods (referred to as a "**Force Majeure Event**"). In such event, the performance times will be extended for a period of time equivalent to the time lost due to the Force Majeure Event. In order to avail itself of the relief provided in this Section 18.3 (Force Majeure), the affected Party must act with due diligence to remedy the cause of, or to mitigate or overcome, such delay or failure.

18.4 **Equitable Relief**. Each Party acknowledges and agrees that, due to the unique nature of the services described herein and each other' s Confidential Information, there may be no adequate remedy at law to compensate the other Party for such Party' s breach of Section 10 (Confidentiality) or Section 11 (Site Access and Data Security); that any such breach may cause irreparable harm to the other Party; and, therefore, that upon any such breach or threat thereof, such other Party will be entitled to seek specific performance and other injunctive and equitable relief in any competent court, in addition to any other available remedies, without the need for posting any bond or security or proving actual damages, in addition to whatever remedies it may have at law.

18.5 **Yahoo Operations**. Nothing in this Agreement will preclude Yahoo or its Affiliates from (i) continuing to use, developing (either independently or together with any third parties) or acquiring rights to, licensing, or supporting any Software with features or functions similar to or competitive with the features and functionalities of any Yahoo Services or Deliverable, or (ii) performing, obtaining, or utilizing any similar or competitive services.

18.6 **Escalation Procedure**. In the event of any dispute arising out of or relating to this Agreement, including any SOW, Change Order, or Purchase Order or any breach of the provisions of Section 12.1 (HortonWorks Warranties) ("**Dispute**"), the Parties will attempt to resolve the Dispute as follows, in addition to pursuing any available remedy: (i) the Party claiming the Dispute will provide to the other Party written notice detailing such Dispute and the proposed steps to be undertaken to resolve the Dispute; (ii) the Project Manager, or an equivalent, from each Party will meet within two (2) business days of receipt of the written notice to determine the steps to resolve the matter and will continue to attempt in good faith to resolve the dispute thereafter; and (iii) either Party may request to escalate the dispute to the Executive Committee at any time and the Executive Committee will meet within five (5) business days of such request.

18.7 **Governing Law**. This Agreement will be governed by and construed in accordance with the internal Laws of the State of California without regard to the choice of law principles thereof. Each of the Parties irrevocably submits to the exclusive jurisdiction of the courts of the State of California located in Santa Clara County and the United States District Court for the Northern District of California for the purpose of any suit, action, or proceeding arising out of or otherwise relating to this Agreement. Each Party irrevocably waives any objection to the laying of venue of any such suit, action, or proceeding brought in such courts and irrevocably waives any claim that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum. The United Nations Convention on Contracts for the International Sale of Goods does not apply to the Agreement. Notwithstanding anything to the contrary in this Agreement and subject to the limits in Section 5.2 (Licenses Irrevocable) of the Intellectual Property Agreement, either Party may enforce a judgment or seek injunctive and other equitable relief to enforce its rights hereunder in any court of competent jurisdiction.

18.8 **Construction**. The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement and that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party, will not be applicable in the interpretation of this Agreement.

18.9 **Severability**. If any term, provision, covenant, or restriction of this Agreement is held by a court of competent jurisdiction or other governmental authority to be invalid, void, or unenforceable, the remainder of the terms, provisions, covenants, and restrictions of this Agreement will remain in full force and effect and will in no way be affected, impaired, or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the Parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

18.10 **Headings**. The descriptive headings of the Sections and subsections of this Agreement are for convenience only and do not constitute a part of this Agreement.

18.11 **Counterparts**. This Agreement and any amendment hereto or any other agreement (or document) delivered pursuant hereto (including any SOW or Change Order) may be executed in one or more counterparts and by different Parties in separate counterparts. All of such counterparts will constitute one and the same agreement (or other document) and will become effective (unless otherwise provided therein) when one or more counterparts have been signed by each Party and delivered to the other Party.

18.12 **Independent Contractors**. The Parties are independent contractors. Nothing herein will be construed as creating any agency, partnership, or other form of joint enterprise between the Parties, and neither Party may create any obligations or responsibilities on behalf of the other Party.

18.13 **Notices**. All notices will be in writing, and delivered by nationally recognized overnight carrier, or mailed using the United States Postal Service' s prepaid first-class postage, to the recipients as set forth below:

Yahoo Notice Addresses:

Yahoo! Inc.
VP Cloud or SVP Products
701 First Avenue
Sunnyvale, CA 94089
Fax:

With a copy to:

Yahoo! Inc.
General Counsel
701 First Avenue
Sunnyvale, CA 94089
Fax:

HortonWorks Notice Address:

HortonWorks, Inc.
455 W Maude Avenue, Suite 200
Sunnyvale, CA 94085
Fax:
Attn: Chief Executive Officer

With a copy to:

Goodwin Procter LLP
135 Commonwealth Drive
Menlo Park, CA 94025
Fax:
Attn: James D. Riley, Esq.

All notices will be deemed received as follows one (1) business day after deposited with a nationally recognized overnight carrier service, such as FedEx or three (3) days after the day deposited with the United States Postal Service. Either Party may update its notice address by sending written notice of such change to the other Party as set forth in this Section 18.13 (Notices).

18.14 **No Third-Party Beneficiaries**. Nothing contained in the Agreement is intended to, or will be construed to, confer upon any Personnel, Subcontractor, or other person or entity not a Party hereto any rights or benefits of any kind, and no such Personnel, Subcontractor, person, or entity will be deemed a third-party beneficiary under the Agreement. Notwithstanding the foregoing, to the extent any Affiliate of Yahoo has been specifically extended rights under this Agreement, such Affiliate will be a third-party beneficiary to the Agreement.

18.15 **Anti-Corruption Compliance**. Each Party will comply with the U.S. Foreign Corrupt Practices Act and other applicable anti-corruption Laws. Each Party represents, warrants, and covenants that such Party has not and will not make or offer any payments to, or confer or offer any benefit upon any third party, including any person or firm employed by or on behalf of any governmental customer, government official or employee, political party, employee of any political party, or political candidate with the intent to influence the conduct such third party in any manner relating to the subject of the Agreement.

18.16 **Export Control Compliance**. Each Party will not export, re-export, resell, ship, divert, or cause to be exported, re-exported, resold, shipped, or diverted directly or indirectly any regulated material, including technical data, to any country for which the U.S. Government, any agency thereof, or any other sovereign government, requires an export license or other governmental approval without first obtaining such license or approval. Further, each Party will: (a) comply with U.S export controls regulating deemed exports, (b) obtain all export licenses that may be required before releasing export-controlled software and technology to its foreign national personnel or subcontractors, and (c) ensure that none of its personnel or subcontractors are identified on U.S. Government export exclusion lists. Each Party will provide the other Party with all information that may be required to comply with all export Laws, including applicable export control classification numbers, and documentation substantiating U.S. and foreign regulatory approvals.

18.17 **Cumulative Remedies**. The rights and remedies of each Party under this Agreement are not exclusive and may be exercised alternatively or cumulatively, with any other rights and remedies available under this Agreement or in law or equity.

**IN WITNESS WHEREOF**, each of the Parties has caused this Agreement to be executed by its duly authorized officers as of the day and year first above written.

**YAHOO! INC.**

By: /s/ Timothy R. Morse
Name: Timothy R. Morse
Title: Chief Financial Officer

SIGNATURE PAGE TO
COMMERCIAL AGREEMENT
CONFIDENTIAL

**IN WITNESS WHEREOF**, each of the Parties has caused this Agreement to be executed by its duly authorized officers as of the day and year first above written.

**HORTONWORKS, INC.**

By: /s/ Rob Bearden
Name: Rob Bearden
Title: Chief Executive Officer

SIGNATURE PAGE TO
COMMERCIAL AGREEMENT
CONFIDENTIAL

**EXHIBIT A**

**DEFINITIONS**

1. "**Advisory Council**" has the meaning set forth in Section 3.3 (Technical Product Advisory Council) of this Agreement.
2. "**Affiliate**" has the meaning set forth in the Intellectual Property Agreement. For clarity, notwithstanding the foregoing, for purposes of this Agreement, HortonWorks will not be deemed an Affiliate of Yahoo and Yahoo will not be deemed an Affiliate of HortonWorks.
3. "**Agreement**" has the meaning set forth in the Recitals of this Agreement.
4. "**Apache Contributor License**" has the meaning set forth in the Intellectual Property Agreement.
5. "**Apache License**" has the meaning set forth in the Intellectual Property Agreement.
6. "**Apache Software Foundation**" has the meaning set forth in the Intellectual Property Agreement.
7. "**API**" has the meaning set forth in the Intellectual Property Agreement.
8. "**Benchmark**" has the meaning set forth in the Recitals of this Agreement.
9. "**Change**" has the meaning set forth in Section 2.5 (Change Order Process) of this Agreement.
10. "**Change Order**" has the meaning set forth in Section 2.5 (Change Order Process) of this Agreement.
11. "**Change of Control**" has the meaning set forth in Section 17.3 (Change of Control Definition) of this Agreement.
12. "**Claim**" has the meaning set forth in Section 13.3 (Procedures) of this Agreement.
13. "**Closing Date**" has the meaning set forth in the Series A Preferred Stock Purchase Agreement.
14. "**Confidential Information**" has the meaning set forth in Section 10.1 (Confidential Information) of this Agreement.
15. "**Confidential Licensed Hadoop Assets**" has the meaning set forth in the Intellectual Property Agreement.
16. "**Deliverables**" means any deliverables described in a SOW, including all developments, discoveries, inventions, products, product formulae, Software, drawings, procedures,

processes, specifications, reports, notes, documents, information, plans, reports, compilations of data, and other materials made, conceived, reduced to practice, or developed by HortonWorks alone or with others, which are made available (or required to be made available to Yahoo or its Affiliates) under a SOW.

17. "**Delivery Requirements**" has the meaning set forth in Exhibit B (Hadoop Base Code Services) of this Agreement.

18. "**Development Cluster Services**" has the meaning set forth in Section 6.1 (Development Cluster Services) of this Agreement.

19. "**Development Servers**" has the meaning set forth in Section 6.1 (Development Cluster Services) of this Agreement.

20. "**Dispute**" has the meaning set forth in Section 18.6 (Escalation Procedure) of this Agreement.

21. "**Emergency Bug Fix**" means any Error Correction intended for immediate deployment on a Production Server to fix a P0 Error. Emergency Bug Fixes are "Updates" under this Agreement and the Intellectual Property Agreement.

22. "**Error**" means any regression of Software from its previous or intended function, causing such Software to fail or otherwise not conform to any of its specifications or requirements in any manner or otherwise impacting the Yahoo Network. "Errors" include P0 Errors, P1 Errors, P2 Errors, and P3 Errors.

23. "**Error Correction**" means a (i) modification, addition, extension, derivative works, upgrades, enhancement, update, replacement, deletion, improvement or other change to correct an Error or (ii) procedure or routine (other than a work-around) performed (without additional cost, resources, hardware, software, or network elements) in regular and automatic operation that eliminates the effect of an Error. Error Corrections include Emergency Bug Fixes and Patches and will be considered "Updates" under this Agreement and the Intellectual Property Agreement.

24. "**Executive Steering Committee**" has the meaning set forth in Section 2.4 (Executive Steering Committee) of this Agreement.

25. "**Force Majeure Event**" has the meaning set forth in Section 18.3 (Force Majeure) of this Agreement.

26. "**Hadoop Base Code**" has the meaning set forth in the Intellectual Property Agreement.

27. "**Hadoop Base Code Services**" has the meaning set forth in Section 3.1 (Performance of the Hadoop Base Code Services) of this Agreement.

28. "**Hadoop Project**" has the meaning set forth in the Intellectual Property Agreement.

29. "**Hadoop Software**" means Software for scalable, distributed computing that is sponsored and distributed by the Apache Software Foundation. Hadoop Software includes all Software made available by the Hadoop Project.

30. "**HortonWorks**" has the meaning set forth in the Preamble of this Agreement.

31. "**HortonWorks Claim(s)**" has the meaning set forth in Section 13.1 (Indemnity for Yahoo Services).

32. "**Information System(s)**" means: (i) any information or communications system, including net-services, internal computer systems, internal data networks, software applications, broadband/satellite/wireless communications systems, and voicemail, and (ii) the means of access to such systems, including all authentication methods.

33. "**Intellectual Property Agreement**" has the meaning set forth in the Recitals of this Agreement.

34. "**Laws**" means any and all applicable laws, statutes, directives, ordinances, treaties, contracts, or regulations.

35. "**Licensed Hadoop Assets**" has the meaning set forth in the Intellectual Property Agreement.

36. "**Major Release**" means an Update to the Hadoop Base Code that includes one or more substantial new features or functions. Major Releases will be considered "Updates" under this Agreement and the Intellectual Property Agreement.

37. "**Network-Data Communication(s)**" means: (a) any HortonWorks-hosted interface HortonWorks makes available to Yahoo pursuant to the Agreement, (b) any access to Yahoo' s Information Systems (including the Development Servers) made pursuant to the terms of this Agreement, (c) any communication, contact, or interconnection/between the Information Systems of Yahoo (including the Development Servers) and HortonWorks, or (d) any access/exposure to or communication of Yahoo Data, including any Software or Intellectual Property that is stored on Yahoo' s internal systems.

38. "**Next Hadoop Release**" has the meaning set forth in Section 3.1 (Performance of the Hadoop Base Code Services) of this Agreement.

39. "**P0 Error**" means an Error on the Production Servers that causes one or more material features or functions of the Software to become unavailable or materially degrades the reliability, security or performance of the Software and is without a known Workaround or remedy.

40. "**P1 Error**" means an Error on the Sandbox Servers, Research Servers or Production Servers that causes a material adverse effect to one or more features or functions or the reliability, security or performance of the Software and is without a known Workaround or remedy.

41. "**P2 Error**" means (a) a P1 Error for which (i) HortonWorks has delivered an adequate Workaround, as reasonably determined by Yahoo, or (ii) there is a known Workaround or remedy, as reasonably determined by Yahoo, or (b) any other Error that (i) causes a material adverse effect on any feature or function or the reliability, security or performance of the Software, for which there is a known Workaround or remedy, or (ii) causes a non-material adverse effect on any feature or function or the reliability, security or performance of the Software, for which there is no known Workaround or remedy.

42. "**P3 Error**" means any other Errors, including Errors that cause inconveniences such as cosmetic problems or documentation inaccuracies but do not impact the operation of the Software.

43. "**Party**" or "**Parties**" has the meaning set forth in the Preamble of this Agreement.

44. "**Patch**" means a package of one or more Error Corrections. Patches will be considered "Updates" under this Agreement and the Intellectual Property Agreement.

45. "**Patch Release**" means an Update to the Hadoop Base Code that contains a Patch or set of Patches intended to address known Errors in previous versions of the Hadoop Base Code. Patch Releases will be considered "Updates" under this Agreement and the Intellectual Property Agreement.

46. "**Performance Log**" means a text log reflecting the success or failure of jobs scheduled on a Sandbox Server running Hadoop Base Code, including all other similar logs from the job tracker, name node and other Yahoo system nodes (without specific user data), including SAR data or its equivalent, file system name space snapshots, metering logs, and job history logs, in each case to the extent relating to the Hadoop Base Code deployed by Yahoo.

47. "**Person**" means an individual, partnership, a limited liability company, a corporation, an association, a joint stock corporation, a trust, a joint venture, an unincorporated organization, or a governmental entity.

48. "**Personnel**" means any and all workers employed, contracted, or used by HortonWorks in connection with the Agreement, including any employees, agents, independent contractors, temporary personnel, and other individuals or entities.

49. "**Personal Information**" means any information about a User that: (i) can be used to identify, contact or locate a specific individual, (ii) can be used in conjunction with other personal or identifying information in the possession of the relevant Party to identify or locate a specific individual, including, for example, a persistent identifier, such as a customer number held in a "cookie" or processor serial number, or (iii) is defined as "personal information" by applicable Laws or Yahoo policies provided to HortonWorks relating to the collection, use, storage, and/or disclosure of information about an identifiable individual.

50. "**Production Servers**" means certain servers on which the Hadoop Base Code is deployed by Yahoo that runs code that has previously been mutually qualified as stable by both Parties in accordance with the Hadoop Base Code Services and only runs predictable work loads that have been certified as stable by a Yahoo quality team familiar with the Hadoop Software.

51. "**Professional Services**" has the meaning set forth in Section 5.1 (Professional Services in General) of this Agreement.

52. "**Project Manager**" means the Yahoo or HortonWorks employee or consultant who is the primary contact person for the applicable Yahoo Service, Development Cluster Service, or Professional Service (as identified in such service exhibit or SOW, as applicable).

53. "**Purchase Order**" means any document issued by Yahoo authorizing the purchase of Yahoo Services.

54. "**QE Servers**" means certain servers on which the Hadoop Base Code is deployed to enable testing of Yahoo products, services, or applications.

55. "**Release Candidate**" means a Sustaining Release or Major Release provided by or for HortonWorks.

56. "**Research Servers**" means certain servers identified by Yahoo on which the Hadoop Base Code is deployed primarily to enable Yahoo R&D activities or otherwise to provide Hadoop Base Code functionality on a less reliable basis than Production Servers. A Research Server must use a version of the Hadoop Software that has been mutually validated as of a sufficient quality for research deployment by both Parties in accordance with Section 4 (Inspection and Acceptance Process) of Exhibit B (Hadoop Base Code Services).

57. "**Sandbox Servers**" means certain servers on which the Hadoop Base Code is deployed to create a simulated production environment.

58. "**Series A Preferred Stock Purchase Agreement**" has the meaning set forth in the Recitals of this Agreement.

59. "**Servicing Party**" has the meaning set forth in Section 16.3.1 (Wind-down of Terminated Services).

60. "**Site**" means any of the buildings and related premises owned, operated, used, or leased by Yahoo or its Affiliates, including those designated in the applicable SOW as a location at which Yahoo Services will be performed. Any location housing the Development Servers will be considered a Site.

61. "**Site Access Policies**" mean all of the policies that HortonWorks must follow when on a Site, including security, facility, equipment, conduct, and safety policies, as updated from time to time, in each case as provided in writing to HortonWorks.

62. "**Software**" has the meaning set forth in the Intellectual Property Agreement.

63. "**Statement(s) of Work**" or "**SOW(s)**" means any fully executed document referencing this Agreement and outlining the nature and scope of services, which may include: the project plans, specifications, delivery dates, performance milestones, deliverables, fees, payment schedules, project managers, and such other pertinent information.

64. "**Subcontractor**" means any third party to which HortonWorks delegates any portion of its obligations, subject to Section 2.3.2 (Subcontractors) of this Agreement.

65. "**Supervised Access Sessions**" means HortonWorks access to Yahoo Servers via authorized remote access to Yahoo employee computers using software applications designed to facilitate computer desktop sharing.

66. "**Support Fees**" has the meaning set forth in Section 9.2 (Compensation for Support Services and Hadoop Base Code Services) of this Agreement.

67. "**Support Services**" has the meaning set forth in Section 4.1 (Support Services) of this Agreement.

68. "**Supported Hadoop Software**" means all or any portion of any Hadoop Base Code and any other Software (including potentially Deliverables) that the Parties agree in writing is to be supported under the Support Services.

69. "**Sustaining Release**" means an Update to the Hadoop Base Code that may include one or more new features or functions and is certified binary backwards compatible with previous code and contains a set of Patches intended to address known Errors in previous versions of the Hadoop Base Code. Sustaining Releases will be considered "Updates" under this Agreement and the Intellectual Property Agreement.

70. "**Term**" has the meaning set forth in Section 16.1 (Term) of this Agreement.

71. "**Tier 1 Support**" means support to identify, validate, and, if applicable, classify Errors on the Supported Hadoop Software.

72. "**Tier 2 Support**" means support to correct any Errors found in the Supported Hadoop Software escalated from Tier 1 Support.

73. "**Tier 3 Support**" means the support to correct any Errors found in the Supported Hadoop Software escalated from Tier 2 Support.

74. "**Transition Services Agreement**" means that certain agreement entered between the Parties contemporaneously with this Agreement, under which Yahoo agrees to provide certain transition services to HortonWorks.

75. "**Travel Policy**" means Yahoo' s travel policy terms available at: http://info.Yahoo.com/legal/us/Yahoo/HortonWorks/travel/travel-4151.html, which are incorporated herein by this reference and may be updated from time to time.

76. "**Updates**" has the meaning set forth in the Intellectual Property Agreement.

77. "**User**" means any actual user (including advertisers and content providers) of the products and/or services of Yahoo or its Affiliates.

78. "**Workaround**" means a configuration change, manual procedure, or other workaround designed to regain intended or previously functioning features, functions, reliability, and performance, but that does not provide a complete and automatic Error Correction.

79. "**Yahoo**" has the meaning set forth in the Preamble of this Agreement.

80. "**Yahoo Claim(s)**" has the meaning set forth in Section 13.2 (Yahoo Indemnity).

81. "**Yahoo Data**" means any and all data or information of Yahoo provided by, relating to, of, or concerning Yahoo, its Affiliates and its or their Users, that is/was obtained by, disclosed to, or otherwise made available to HortonWorks under or by virtue of this Agreement, including (to the extent fulfilling the foregoing requirements) Personal Information, search queries, log files, User behavior data, systems, procedures, processes, employment practices, sales costs, profits, pricing methods, organization/employee lists, finances, product information, inventions, designs, methodologies, Information Systems, Intellectual Property of Yahoo or its Affiliates, all Deliverables and interim work product created by or on behalf of HortonWorks and assigned (or as provided pursuant to a SOW) to Yahoo or its Affiliates, and all survey responses, feedback and reports.

82. "**Yahoo Entities**" means Yahoo and its Affiliates and their officers, directors, consultants, contractors, agents, attorneys, and employees.

83. "**Yahoo Network**" means a generally available Yahoo or Yahoo Affiliate product, service, or application.

84. "**Yahoo Servers**" means the Development Servers, QE Servers, Sandbox Servers, Research Servers and Production Servers.

85. "**Yahoo Services**" means, collectively, the Hadoop Base Code Services, the Support Services, the Professional Services, and any other services provided (or to be provided) by or for HortonWorks to Yahoo or its Affiliates in connection with this Agreement.

## EXHIBIT B

## HADOOP BASE CODE SERVICES

1. **Definitions**. As used in this Exhibit B (HortonWorks Base Code Services), the following capitalized terms have the meanings given to them in Exhibit A (Definitions) of this Agreement, including its exhibits.

2. **Purpose**. The Parties acknowledge and agree that the purpose of HortonWorks' performing the Hadoop Base Code Services is to fix Errors in the Hadoop Base Code and to develop the Next Hadoop Release in collaboration with Yahoo, and that each Party will contribute any Hadoop Base Code that it develops in connection therewith to the Apache Software Foundation, pursuant to this Agreement. Thus, the Parties will reasonably cooperate and collaborate with each other in connection with the performance of the Hadoop Base Code Services, and the provisions of this Exhibit B (Hadoop Base Code Services) merely provide general principles, but not specific requirements, pursuant to which such collaboration will occur. The only Major Release that is covered by the Hadoop Base Code Services is the Next Hadoop Release. Each Party will utilize its personnel necessary to perform such collaboration and develop the Next Hadoop Release. HortonWorks will take the lead in the development of the Next Hadoop Release.

3. **Release Candidates**. HortonWorks will ensure and certify to Yahoo that each Release Candidate delivered to Yahoo: (a) packages up the then-latest version of the Hadoop Software made available by the Apache Software Foundation; (b) is inclusive of all previously delivered features, functionality and performance enhancements, and includes one or more new substantial features or functions (if the Release Candidate is a Major Release) or one or more new features, functions or other improvements (if the Release Candidate is a Sustaining Release); (c) does not include any known P0 Errors or P1 Errors identified in any previous Release Candidates and includes all Emergency Bug Fixes, Error Corrections, Workarounds and Patches (including those developed by Yahoo and accepted by HortonWorks) or successor Software to resolve such Errors; (d) has been subjected to and have successfully passed prior to delivery to Yahoo all unit, functional, performance, integration (including automated stack integration) testing, using HortonWorks' test suites; (e) meets all the specifications pre-defined by HortonWorks for such Release Candidate; (f) is inclusive of documentation or release notes which describe the features and functionality of said Release Candidate in detail; (g) includes appropriate hooks, automated test reports (e.g., including the unit test coverage); (h) is fully backward compatible with any and all prior versions of the same Major Release; and (i) is otherwise ready for Yahoo to commence acceptance testing (collectively, "**Delivery Requirements**").

4. **Inspection and Acceptance Process.** Following HortonWorks' submission of a Release Candidate to Yahoo in accordance herewith, both Parties will inspect and test such Release Candidate. If either Party rejects a Release Candidate, both Parties will work to correct any reasons for the rejection without additional charge. Upon correction of the identified issues, HortonWorks will submit a new Release Candidate to Yahoo in accordance with Section 2 (Purpose) above of this Exhibit B (Hadoop Base Code Services), and the inspection and testing procedures set forth herein will be repeated. For the avoidance of doubt, (1) acceptance by Yahoo of any Release Candidate will not relieve HortonWorks of any of its other obligations in respect of such Release Candidate, and (2) Yahoo has no obligation to test more than one Release Candidate on Yahoo' s QE Servers at a time.

5. **Acceptance Testing**. Yahoo will not unreasonably withhold its acceptance of a Release Candidate if such Release Candidate: (a) meets all the Delivery Requirements mutually agreed upon by both Parties as set forth in Section 2 (Purpose) above of this Exhibit B (Hadoop Base Code Services); (b) does not break for at least one (1) business day when tested on Yahoo' s then-applicable QE Servers; and (c) has run on the Sandbox Servers without any P0 Error or P1 Error for more than fourteen (14) consecutive days at which point Yahoo will consider such Release Candidate acceptable for installation on the Research Servers. Notwithstanding the above or anything to the contrary, installation of Release Candidates on any and all of the Yahoo servers will in all cases be in Yahoo' s sole discretion.

6. **Installation of Accepted Software**. Upon Yahoo' s acceptance of any Release Candidate, Yahoo agrees to use commercially reasonable efforts to upgrade to and install such Release Candidate on Yahoo' s Research Servers and Production Servers, as applicable, (a) consistent with Yahoo' s development and service engineering policies (e.g., installation, testing, and "hardening" process to be repeated subject to the success of the prior process on each of the Sandbox Servers, Research Servers, and Production Servers), and (b) if the Release Candidate continues to meet the delivery requirements set forth in this Exhibit B (Hadoop Base Code Services). In all cases, Yahoo will have the sole discretion to run any Release Candidate on any QE Server, Sandbox Server, Research Server, or Production Server at any time.

7. **Obligations of Yahoo.** Yahoo will use commercially reasonable efforts consistent with the principle articulated in Section 2 (Purpose) of this Exhibit B (Hadoop Base Code Services) to use the most recent, accepted Release Candidates possible on all of its Research Servers and Production Servers.

**EXHIBIT C**

**SUPPORT SERVICES**

1. **Definitions**. As used in this Exhibit C (Support Services), the following capitalized terms have the meanings given to them in Exhibit A (Definitions) of this Agreement, including its exhibits.

2. **Technical Support**

2.1 **Tier 1 Support**. Yahoo will be responsible for providing all Tier 1 Support. Yahoo will escalate all Errors to Tier 2 Support, as applicable, as required to address and resolve, or otherwise mitigate, the Error.

2.2 **Tier 2 Support**. Yahoo will be responsible for providing Tier 2 Support by using reasonable efforts to correct the Error, assigning at least two (2) person days of qualified Yahoo personnel to correct the Error, provided that in the case of a P0 Error, Yahoo will assign one (1) qualified Yahoo personnel for sixty (60) minutes to correct the Error.

2.2.1 **Escalation**. If Yahoo is unable to address and resolve the Error by developing an Error Correction using Tier 2 Support, Yahoo may notify HortonWorks of such Error thus invoking Tier 3 Support, and will include with such notice a detailed description of the nature of the Error and a request for Support Services.

2.2.2 **Yahoo Error Correction**. If Yahoo personnel develop an Error Correction (including any EBF), Yahoo will contribute the Software for such Error Correction (including any EBF) to the Hadoop Project of the Apache Software Foundation in accordance with Section 3.2 (Apache Contribution).

2.3 **Tier 3 Support**. HortonWorks will be responsible for providing Tier 3 Support in accordance with the resolution times set forth in Section 2.8 (Response by HortonWorks for Tier 3 Support) of this Exhibit C (Support Services) to correct any Errors. Yahoo may also provide Tier 3 Support to correct P0 Errors. HortonWorks will make Personnel available to Yahoo and Yahoo will provide reasonable access to the Yahoo QE, Sandbox, Research, or Production Servers, as applicable, in accordance with Section 11 (Site Access and Data Security) and Exhibit E (Information Security Terms) to enable HortonWorks to (i) further identify, validate, and replicate Errors (ii) identify a Workaround, and/or (iii) develop an Error Correction (including an Emergency Bug Fix). HortonWorks Tier 3 Support will consist of Error diagnosis, proposing Workarounds for Yahoo personnel to resolve Errors, and the creation of new Emergency Bug Fixes and other Release Candidates containing Patches to Errors.

2.3.1 **HortonWorks Error Correction**. HortonWorks' Project Manager will (i) provide an initial acknowledgement of the Error submission, (ii) assign a tracking number to each Error reported by Yahoo, and (iii) provide periodic status updates at minimum status intervals in accordance with Section 2.8 (Response and Resolution Times by HortonWorks for Tier 3 Support) of this Exhibit C (Support Services). If HortonWorks is unable (or determines

that it is not likely to be able) to provide an Error Correction for a reported P0 or P1 Error within the applicable target resolution time, HortonWorks will immediately notify Yahoo and, to the extent possible, provide Yahoo a Workaround for such Error until such time as HortonWorks can provide an Error Correction. HortonWorks will cooperate with Yahoo to deploy any Workaround or Error Correction.

2.3.2 **Yahoo Emergency Bug Fix**. In the case of a P0 Error, HortonWorks will cooperate with Yahoo to perform an immediate investigation of the P0 Error and, at Yahoo' s request, develop an Emergency Bug Fix to correct the P0 Error in accordance with the resolution times set forth in Section 2.8 (Response and Resolution Times by HortonWorks for Tier 3 Support) of this Exhibit C (Support Services). If neither Party is able (or determines that it is not likely to be able) to provide an EBF for a reported P0 Error within the applicable target time for resolution, HortonWorks will immediately notify Yahoo and, at Yahoo' s request and to the extent possible, provide Yahoo a Workaround for such P0 Error until such time as either Party can provide an EBF. HortonWorks will cooperate with Yahoo to deploy any Workaround or EBF. If either Party' s personnel develop an EBF, such Party will promptly contribute the Software for such EBF to the Hadoop Project of the Apache Software Foundation in accordance with Section 3.2 (Apache Contribution).

2.4 **Patch Releases**. At any time Yahoo may request that HortonWorks package and provide to Yahoo a new Patch Release candidate that contains all Error Corrections (including any EBF) developed since the last accepted Release Candidate. HortonWorks will begin the development of such Patch Release candidate no later than two (2) weeks after Yahoo' s request and will produce and deliver to Yahoo such Patch Release candidate within three (3) weeks after Yahoo' s request.

2.5 **General HortonWorks Obligations**. HortonWorks will provide to Yahoo, free of charge, any necessary documentation, diagnostic tools, or other materials necessary to enable Yahoo to perform Tier 1 and Tier 2 Support. HortonWorks will not take any action via access to the QE Servers, Sandbox Servers, Research Servers or Production Servers that materially adversely affects the Supported Hadoop Software or Yahoo' s systems without the prior consent of Yahoo.

2.6 **General Yahoo Obligations**. Yahoo will provide HortonWorks, at the time of the notification and on an ongoing basis until resolution of the Error, such reasonably available data as are required by HortonWorks to resolve the Error. Notwithstanding the foregoing, Yahoo will have no obligation to deploy any Error Correction (including any EBF) provided by HortonWorks.

2.7 **QE Servers**. Notwithstanding the foregoing, Yahoo has no obligation to provide Tier 1 or Tier 2 Support for any Errors on the QE Servers as part of the Support Services. Yahoo may report Errors on the QE Servers to HortonWorks for the purposes of assisting HortonWorks to provide better Release Candidates.

2.8 **Response and Resolution Times by HortonWorks for Tier 3 Support**

| Error | Coverage | Acknowledgement Response Time | Target Resolution Time | Minimum Status Intervals |
|---|---|---|---|---|
| **P0** | [** ] | [** ] | [** ] | [** ] |
| **P1** | [** ] | [** ] | [** ] | [** ] |
| **P2** | [** ] | [** ] | [** ] | [** ] |
| **P3** | [** ] | [** ] | [** ] | [** ] |

2.9 **Yahoo Obligation to Deliver Performance Logs**. Upon request by HortonWorks, Yahoo will make commercially reasonable efforts to provide HortonWorks copies of the Performance Logs, subject to Yahoo' s capacity to remove any Confidential Information. HortonWorks will use the Performance Logs solely for the purposes of meeting its obligations to perform the Support Services and to improve the Hadoop Base Code and other HortonWorks products, as set forth in the Intellectual Property Agreement. All information contained in the Performance Logs will be deemed and treated as Confidential Licensed Hadoop Assets and not disclosed to any third party unless otherwise agreed by Yahoo in writing.

2.10 **Training**. HortonWorks will use commercially reasonable efforts to provide Yahoo with training for the purpose of Yahoo' s personnel being able to reasonably support the Hadoop Base Code as deployed by Yahoo.

3. **Support Contact Information**. Attached below are the initial representatives of each Party. Either Party may replace one or more of the personnel below with written notice (via email is acceptable).

3.1 **HortonWorks**.

| Name | Role | Contact Info |
|---|---|---|
| | HortonWorks Support Contact | |
| | HortonWorks Project Manager | |



[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

3.2 **Yahoo**.

| Name | Role | Contact Info |
|---|---|---|
| | Yahoo Support Contact | |
| | Yahoo Project Manager | |

**EXHIBIT D**

**DEVELOPMENT CLUSTER SERVICES**

1. **Definitions**. As used in this Exhibit D (Development Cluster Services), the following capitalized terms have the meanings given to them in Exhibit A (Definitions) of this Agreement, including its exhibits.

2. **General.** Yahoo will provide HortonWorks with access to certain owned or leased Development Servers.

3. **Cluster Environment.** Yahoo will solely determine the environment for the Development Servers made available to HortonWorks, including the network backbone and topology, placement, physical location, machine type, configuration, capital expenditures, and other matters. Yahoo will be responsible for the maintenance and support of the Development Servers using substantially the same efforts that Yahoo uses to maintain and support its similar Development Servers. The Development Servers will provide a reasonable reproduction of the then-current Yahoo production environment (e.g. hardware and network configuration).

4. **Machines**. Certain of these machines will include the master configuration ([**]). The number of "master configuration" machines provided will be at least [**]. Development Servers will include certain network and administrator servers that Yahoo determines are appropriate.

5. **Access**. Yahoo will provide access to the Development Servers in accordance with this Agreement (including Section 11 (Site Access and Data Security) and Exhibit E (Information Security Terms)) to qualified HortonWorks Personnel with a valid business need to access the Development Servers. Only designated and approved developers, quality assurance engineers, and other similar HortonWorks Personnel will be provided access to the Development Servers and no other HortonWorks Personnel may access the Development Servers. The Development Servers will not be connected to the Yahoo network and be in a development environment backplane only. Access to the Development Servers will be controlled [**], provided that any change to access processes does not result in HortonWorks being required to purchase additional remote access equipment [**] or Software to access the Development Servers that exceeds [**] per year. Yahoo may deny access to the Development Servers to any specific HortonWorks Personnel at any time (provided it notifies HortonWorks immediately of such action and works in good faith with HortonWorks to resolve the problem).

6. **Restrictions**. All Software (including any operating system), network addresses and settings, configuration files, designs, methodologies, Information Systems, and other information or materials made available, visible, or otherwise disclosed to HortonWorks Personnel in connection with the Development Cluster Services will be considered the Confidential Information of Yahoo. HortonWorks will strictly comply with any end-user license or terms related to the foregoing information and materials. HortonWorks agrees not to reproduce, modify, distribute, prepare derivative works of, disclose, reverse engineer, file patents directed to or claiming, or otherwise exploit any intellectual property or technology embodied in the Development Servers without Yahoo' s prior written consent. To the extent HortonWorks



[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

breaches the foregoing covenant, HortonWorks hereby agrees that Yahoo will own all right, title and interest in and to the result of such breach, including any reproduction, modification, distribution, derivative work, disclosed information, reverse engineered technology or patent filing related to any intellectual property or technology embodied in the Development Servers. Furthermore, HortonWorks agrees not to take any screen shots, video or audio recording, or otherwise attempt to retain any Confidential Information embodied in the Development Servers.

7. **Changes**. Yahoo has the right to change or deprecate any of the Development Cluster Services or change or remove features or functionality of the Development Cluster Services from time to time, provided that the foregoing actions do not adversely impact the Development Cluster Services (or the availability thereof). Yahoo will notify HortonWorks of any change (which Yahoo deems to be material) to the Development Cluster Services. Yahoo will provide reasonable notice to HortonWorks in the event Yahoo will perform maintenance on the Development Servers.

8. **HortonWorks Content**. HortonWorks will be solely responsible for the development, content, operation, maintenance, and use of HortonWorks' Software on the Development Servers including (i) the technical operation of the Software on the Development Servers, (ii) configuring and using the Development Servers, and (iii) protection and backup of HortonWorks' Software. For the avoidance of doubt, HortonWorks will use the Development Servers solely for Software development by HortonWorks Personnel authorized under Section 5 (Access) of this Exhibit D (Development Cluster Services). HortonWorks will not host any Software for use by any third party.

9. **Yahoo Obligation**. Yahoo will be responsible for installing and maintaining all hardware used as part of the Development Cluster Services, the initial setup and documenting of all process and policies needed to maintain and access the Development Cluster Services that HortonWorks personnel must be aware of, including access process, OS (re)deployment and security procedures. As part of the Development Cluster Services, Yahoo will use commercially reasonable efforts to provide [**] uptime with respect to at least [**] functional/serviceable machines (as measured by actual, unplanned downtime occurrences). Yahoo will provide to HortonWorks contact information for Yahoo' s Network Operation Center (NOC) for outage reporting. Yahoo will make available a Support Ticket Request System for lower severity requests by HortonWorks. Yahoo will provide change management and event management reports for the Hadoop environment. These reports will be provided via email to a designated HortonWorks point of contact.



[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

## EXHIBIT E

## INFORMATION SECURITY TERMS

**1. Definitions** As used in this Exhibit E (Information Security Terms), the following capitalized terms not defined in this Exhibit E (Information Security Terms) have the meanings given to them in Exhibit A (Definitions) of this Agreement, including its exhibits.

"**The System**" means any and all components owned, operated, used or provided by HortonWorks or on behalf of HortonWorks in connection with HortonWorks' performance of its obligations under this Agreement, including, but not limited to, the Development Servers (except that the Development Servers shall not fall within the definition of "The System" when they are under Yahoo' s exclusive control for the duration of any Development Server cluster environment set-up and maintenance period described in Section 3 (Cluster Environment) of Exhibit D (Development Cluster Services)), networks, databases, software, computer systems, backups, devices, processes, documentation, data, and physical premises.

"**Security Issue**" means (i) any known or suspected condition in or affecting The System that could compromise the security, confidentiality, or integrity of Yahoo Data or The System or impair Yahoo' s ability to meet legal obligations; or (ii) any unauthorized disclosure or unauthorized use of Yahoo Data.

"**Security Testing**" means examination of The System, directly or indirectly through interfaces to which Yahoo and/or Yahoo Affiliates or its or their agents have access without the need for HortonWorks coordination, by manual interaction with or automated test cases that can identify and/or diagnose, or are intended to identify and/or diagnose, Security Issues.

"**Security Review**" means examination of The System or information related to the security of The System requiring the assistance of or coordination with HortonWorks that can identify and/or diagnose, or are intended to identify and/or diagnose, Security Issues.

"**Contaminant**" means any instrument that is suspected or known by either Party to modify, damage, destroy, record, misuse, distribute, or transmit information to, from, or within The System without intention or permission of the Parties. Contaminant includes, but is not limited to, viruses or worms that may be self-replicating or self-propagating and may be designed to (a) contaminate other components of The System, (b) consume resources, (c) modify, destroy, record, or transmit data, or (d) in some other fashion alter the operation of The System.

**2. The System Security.**

**A. Operational Requirements:**

i. HortonWorks will ensure that The System, excluding physical premises, is at all times securely configured, including, but not limited to, (a) disabling all unnecessary services or features, and (b) closing all known and all published security deficiencies therein, including updates and subsequently identified publications thereof.

ii. HortonWorks will continuously maintain industry-standard firewall protection for The System. HortonWorks will test its perimeter router and firewall devices no less than quarterly for unsafe configurations and vulnerabilities. Unless an alternate method is mutually agreed upon by Yahoo and HortonWorks, in a signed written agreement, tests will be conducted in a manner consistent with the [**], provided however, HortonWorks may perform the tests in lieu of using a third party. Notwithstanding the foregoing, HortonWorks will not be responsible for maintaining firewall protection as it relates to the Development Servers.

iii. HortonWorks will make commercially reasonable efforts to ensure that The System components are free of known or suspected Contaminants. HortonWorks will similarly make commercially reasonable efforts to ensure that the user components it installs are free of known or suspected Contaminants. Such efforts will include, but are not limited to, screening all data and code for Contaminants prior to loading the same onto the Development Servers, running [**] software on [**], updating signatures [**], conducting [**] Contaminant sweeps of The System and purging all Contaminants found. HortonWorks will use commercially reasonable efforts to not transmit or distribute Contaminants. Any transmission or distribution of Contaminants is a Security Issue.

**B. Design Requirements:**

i. HortonWorks will ensure that The System is not and remains not vulnerable [**], as updated from time to time. If [**] ceases to exist or becomes obsolete, Yahoo may designate a successor or replacement list thereafter, and HortonWorks will use that list in place of [**] in performing HortonWorks' obligations under this section.

ii. Encryption:

a. Where data must be encrypted under these Information Security Terms, the Agreement, or applicable law, HortonWorks will sign and encrypt using a Yahoo-approved algorithm.

1. The following algorithms are currently pre-approved by Yahoo:

a) [**]

b) [**]

c) [**]

d) [**]



[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

e) [**] scheme used for Yahoo APIs as described on [**], as such scheme may be independently updated by Yahoo from time to time.

2. Other algorithms must be specifically approved by Yahoo' s security team in writing prior to use and will be subject to any limitations prescribed by Yahoo in its approval.

b. HortonWorks will store and distribute cryptographic keys, shared secrets, and passwords (collectively "Secrets") in encrypted form. Secrets used by [**] may only be stored [**] when the file:

1. can only be accessed by [**];

2. cannot be accessed by the [**];

3. is only available to [**];

4. is not backed up [**]; and

5. is not stored [**].

c. Components of The System that verify a password must only store a salted, cryptographically secure hash of the password for verification.

**C. Access Control:**

i. HortonWorks will permit access to The System only to authorized persons on a need-to-know basis.

ii. The System, excluding physical premises, must at all times be protected by an authentication system that complies with the following requirements: (i) passwords must be reasonably complex; (ii) use of privileged accounts must be minimized; (iii) authentication credentials must not be shared; (iv) authentication credentials must be kept confidential; (v) individuals must authenticate using their own account and not a shared account; (vi) when an authorized individual no longer needs access to The System, HortonWorks will ensure his or her authentication credentials and access to The System are terminated immediately; and (vii) authorized individuals must log out of The System at the end of each work day.

iii. HortonWorks must at all times protect physical premises of The System using physical security methods commensurate with the type of data being handled. At a minimum, such methods must include (i) visitor sign-ins, (ii) standard keyed or card keyed locks, (iii) limited access to server rooms and archival backup storage, and (iv) burglar/intrusion alarm systems.



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The foregoing does not and is not intended to amend or waive any specific requirements pertaining to the Development Servers set forth herein or in the Agreement.

**D. Logging.** HortonWorks will log all attempted accesses to its servers (including time and date thereof) involved in performing obligations to or for Yahoo or otherwise conducted pursuant to these Information Security Terms and/or the Agreement, and the result of such attempts, successful or unsuccessful. In order to enable a complete audit trail of activities, HortonWorks will log, including time and date, all commands that require additional privileges, including all failed attempts to execute privileged commands. HortonWorks must protect the logs from tampering. HortonWorks will retain all such log entries for at least six (6) months.

**3. Security Issue Management, Incident Handling, and Security Review**

**A. Notification Contact.**

Each party has designated Notification Contacts as set forth below. Notifications pursuant to these Information Security Terms will take place via a telephone call and/or email by one Party to the other' s Notification Contact. Notification Contacts will be available twenty-four hours a day, seven days a week. Notification Contact information and communication protocol is as follows:

Yahoo Notification Contacts.

Yahoo Network Operations Center (With verbal communication that this is a HortonWorks Security Notification)

email: partner-security@yahoo-inc.com (With subject line: HortonWorks Security Notification)

HortonWorks Notification Contacts.

Email: (With subject line: [**])

Each Party may update or modify its Notification Contact information by providing written notice to the other' s Notification Contact.

**B. Security Contact.**

HortonWorks will provide Yahoo with access to knowledgeable personnel, who can be reached with and respond to security questions or security concerns ("**Security Contact**"). The Security Contact must have a deep, current knowledge about the architecture and operation of The System. The Security Contact will be available during business hours by telephone and email, or through HortonWorks' Notification Contact.



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At all times, the Security Contact will be available as necessary for HortonWorks to comply with the response and resolution times set forth below and in Exhibit C (Support Services), if and as applicable. Yahoo may suspend access to the system until it is able to contact HortonWorks' security.

**C. Security Issue Management:**

i. *Classification.* If Yahoo believes an issue has not been properly classified as a Security Issue, Yahoo, in its sole discretion, has the right to classify the issue as a Security Issue.

ii. *Service Level Agreement (SLA).*

HortonWorks will treat every Security Issue with high priority and commence working on each Security Issue immediately with sufficient numbers of competent personnel to meet the requirements of these Information Security Terms.

In some cases, unscheduled updates, modifications to legacy code, working during non-business hours, removing Yahoo branding, and disabling portions of The System, excluding physical premises, may be required to limit harm.

iii. *Monitoring.* HortonWorks will actively monitor The System and public reports for Security Issues.

iv. *Actions.* At a minimum, HortonWorks will take the following steps in the event of a Security Issue:

a. Notify Yahoo' s Notification Contact immediately.

b. Work with Yahoo to resolve the issue in a timely manner.

c. Resolve the Security Issue as soon as possible but no later than five (5) calendar days, unless otherwise agreed to by Parties.

d. Take reasonable steps to preserve logs or other data that may be useful for determining the source, cause, and consequences of the Security Issue. All logs or other data must be retained for one (1) month after the Parties mutually agree that the Security Issue is resolved, unless additional retention is requested by Yahoo.

e. Maintain a time and date-stamped log of all significant actions taken in investigating and addressing the Security Issue. All logs or other data must be retained for one (1) month after the Parties mutually agree that the Security Issue is resolved, unless additional retention is requested by Yahoo.

f. Work with Yahoo to identify the root cause and implications of the Security Issue.

g. Limit Harm: Where the Security Issue causes or is likely to cause imminent harm, and reviewing with Yahoo would prolong such harm, HortonWorks will immediately take the minimum actions necessary to mitigate the harm. Any action beyond the minimum should be taken only after review with Yahoo.

h. Identify and work with Yahoo to implement the changes necessary to address the Security Issue to the mutual satisfaction of the Parties. HortonWorks will promptly provide Yahoo with a description of the planned changes. In cases where the changes require significant effort, HortonWorks will discuss the plan with Yahoo prior to implementing changes.

i. Provide to Yahoo weekly status updates until the Security Issue has been resolved (Yahoo will cooperate as reasonably necessary to enable such reporting by HortonWorks).

v. *Confidentiality*: Unless otherwise required by applicable law, HortonWorks will not disclose to third parties any information about Security Issues without prior written and express permission from Yahoo for each disclosure. If HortonWorks is required to disclose pursuant to applicable law, HortonWorks must notify Yahoo as soon possible. HortonWorks may disclose to the following parties without obtaining such permission:

a. HortonWorks' agents who are working on the issue are subject to a binding confidentiality agreement that contains terms no less restrictive than those set forth in the Agreement with respect to Confidential Information.

b. Others who are similarly affected and with whom HortonWorks has an obligation to notify. In such cases, HortonWorks will not disclose any information about Yahoo or Yahoo' s involvement.

**D. Rights to Review:**

i. *Security Testing*

a. Yahoo and/or Yahoo Affiliates, and its or their agents, in their sole discretion, have the right at any time to perform remote Security Testing of The System, excluding physical premises. Such examination does not include actions that the examiner reasonably believes will cause serious harm or damage to The System. Security Testing may result in the identification of Security Issues.

b. Upon Yahoo' s request, HortonWorks will promptly white list IP addresses provided by Yahoo to allow accurate Security Testing to occur.

c. HortonWorks will not impede Yahoo and/or Yahoo Affiliates, and its or their agents, from performing Security Testing; provided, however, that if HortonWorks reasonably believes the Security Testing will cause serious harm or damage to The System, HortonWorks will (a) take the minimum action necessary to mitigate such harm or damage; (b) contact Yahoo immediately and explain the nature of the harm or damage that occurred; and (c) work with Yahoo so that full Security Testing can continue without inflicting serious harm or damage to The System.

ii. *Security Review*

Upon the conditions set forth below, Yahoo, directly or through a Yahoo Affiliate designated by Yahoo, will have the right, at its own expense, to conduct Security Reviews, and/or to have an independent third party subject to a HortonWorks-approved confidentiality agreement conduct Security Reviews. In the case that Yahoo uses an independent third party, the third party will be selected by Yahoo subject to approval by HortonWorks, and such approval will not be unreasonably withheld or delayed. HortonWorks will share with Yahoo (or the Yahoo-designated Affiliate or independent third party) all information and materials reasonably necessary or useful to conduct and complete the Security Review, and HortonWorks will otherwise support and cooperate with the Security Review. Security Reviews may result in the identification of Security Issues.

a. Yahoo will have the right to conduct a Security Review: 1) prior to The System being available or in production, 2) when there is or is planned to be a material change to The System, 3) when Yahoo suspects there may be a Security Issue in The System, 4) upon any termination or suspension of the Agreement (or any Yahoo Services or portion thereof).

b. Security Reviews will be subject to the following conditions: 1) Yahoo must provide reasonable notice to HortonWorks before such Security Reviews; 2) Security Reviews must be conducted during regular business hours in a manner that does not interfere with normal business activities.

**4. Data Handling and Restrictions on Use**

**A. Data Handling**. HortonWorks will not collect, use, access or retrieve, attempt to access or retrieve, or disclose any Yahoo Data. The Parties acknowledge that Yahoo does not intend to deliver to or share with HortonWorks any Yahoo Data that has not been sufficiently anonymized or otherwise transformed or redacted to minimize the potential harm of wide dissemination (except as may be made accessible through Supervised Access Sessions, as described in Section 11.7 (Access to Other Servers) of the Agreement).

**B. Yahoo Data; Personal Information.** Yahoo will use commercially reasonable efforts not to provide or make available any Yahoo Data or Personal Information to HortonWorks (except as may be made accessible through Supervised Access Sessions, as described in Section 11.7 (Access to Other Servers) of the Agreement).

**5. Personnel**

**A. Confidentiality Agreements; Use of Contractors and Subcontractors.** All those who perform services related to HortonWorks' obligations to Yahoo on behalf of HortonWorks and who have access to Yahoo Confidential Information (as defined in the Agreement) will be bound by confidentiality agreements or obligations that provide provisions substantially similar to those confidentiality obligations of HortonWorks set forth in the Agreement or any applicable non-disclosure agreement between the Parties. HortonWorks will not enter into any agreement with a contractor or subcontractor that would prevent Yahoo or HortonWorks from conducting the Security Reviews as set forth in Section (3)(D)(ii) of this Exhibit E (Information Security Terms). HortonWorks will contractually require those who perform services related to HortonWorks' obligations to Yahoo on behalf of HortonWorks to comply with all the terms and conditions of these Security Information Terms as if they were HortonWorks.

**B. Suitable Personnel.** HortonWorks will only involve personnel that are competent to perform HortonWorks' obligation to Yahoo. HortonWorks will use the results of competently performed and reasonably inclusive background checks, as required under Section 11.3 (Background Checks) of the Agreement, along with any other pertinent information, in making this determination.

**C**. **Education and Awareness.** HortonWorks must provide reasonably frequent training and awareness in information security, in the protection of information resources, and in the requirements of this Agreement to its employees, agents, and contractors who access or use Yahoo Data. Such training and awareness will be mandatory for all personnel involved in performing HortonWorks' obligations to Yahoo and will include, but is not limited to, identifying social engineering attempts, and good security practices.

**6. Statement of Compliance.** Upon Yahoo' s request (which will be no more frequent than once every calendar year), HortonWorks will provide Yahoo a written certification that, to HortonWorks' knowledge, it has complied with all of the requirements of these Security Information Terms (or otherwise include descriptions of known non-compliance).

**EXHIBIT F**

**FEES**

**Fees Payable By Yahoo**

Support Services and Hadoop Base Code Services Fees (quarterly): $250,000

Maximum Rate for Professional Services: [**]/hour.



[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

EXECUTION VERSION

**AMENDMENT NO. 1**
**to the**
**COMMERCIAL AGREEMENT**

This Amendment #1 ("**Amendment #1**") is made and entered into as of **June 30, 2013** ("**Amendment #1 Effective Date**") by and between HortonWorks, Inc., a Delaware corporation ("**HortonWorks**"), and Yahoo! Inc., a Delaware corporation ("**Yahoo**"), and amends the Commercial Agreement entered June 21, 2011 (the "**Agreement**").

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, HortonWorks and Yahoo hereby agree to the following:

1. **DEFINITIONS**

1.1 **Definitions**. Any capitalized terms contained in this Amendment #1 will have the meanings attributed to them in the Agreement, or as defined in this Amendment #1.

2. **EXTENSION OF TERM**

2.1 **Section 16.1**. The first sentence of Section 16.1 is deleted, and replaced with the following:

> Unless earlier terminated as provided herein, the term of this Agreement will commence on the Closing Date and continue for a period of three (3) years, expiring on **June 30, 2014** (the "**Initial Term**")." This Agreement will be automatically extended for twelve-month periods (each twelve-month period a "**Renewal Term**"), unless a Party terminates the Agreement by providing written notice of non-renewal at least 60 days prior to the end of the Initial Term. A Party may terminate any Renewal Term by providing written notice of non-renewal at least 60 days prior to the end of the then-current Renewal Term. The Initial Term and any Renewal Term(s) will collectively be referred to as the "**Term**."

3. **DEVELOPER CLUSTER ACCESS**

3.1 **Termination of Development Cluster Access and Services**. Unless earlier terminated as provided herein, then upon the expiration of the Initial Term, the Parties' respective rights or obligations under the following Sections and Exhibits will terminate: Section 6 (Development Cluster Access) and Exhibit D (Development Cluster Services).

4. **HADOOP PROJECT COOPERATION**

4.1 **Hadoop Project Code Activities**. HortonWorks and Yahoo will, on a commercially reasonable and good faith basis, cooperate in the performance of the activities set forth in Exhibit G (Hadoop Project Activities), in each case for the purpose of developing and contributing Software to the Hadoop Project of the Apache Software Foundation.

5. **GENERAL**

5.1 **Conflict**. In the event of conflict between the terms and conditions of the Agreement and the terms and conditions of this Amendment #1, the terms and conditions of this Amendment #1 control.

5.2 **Counterparts; Signature**. The Amendment #1 may be executed in counterparts, each of which will be deemed an original. An originally executed version of this Amendment #1 that is scanned to create an image file (e.g., a PDF or TIFF, etc.) and then delivered by one party to the other party via electronic mail as evidence of signature, will, for all purposes, be deemed an original signature.

5.3 **Effect of Agreement**. Except as modified hereby, the Agreement remains in full force and effect.

**IN WITNESS WHEREOF**, each of the Parties has caused this Agreement to be executed by its duly authorized officers as of the Amendment #1 Effective Date.

**YAHOO! INC.**

By: /s/ Jacqueline D. Reses
Name: Jacqueline D. Reses
Title: Chief Development Officer

SIGNATURE PAGE TO
AMENDMENT #1 TO COMMERCIAL AGREEMENT
CONFIDENTIAL

**IN WITNESS WHEREOF**, each of the Parties has caused this Agreement to be executed by its duly authorized officers as of the Amendment #1 Effective Date.

**HORTONWORKS, INC.**

By: /s/ Dan Bradford
Name: Dan Bradford
Title: VP Finance & Administration

SIGNATURE PAGE TO
AMENDMENT #1 TO COMMERCIAL AGREEMENT
CONFIDENTIAL

**EXHIBIT G**

**Hadoop Project Activities**

1. **Projects for remainder of 2013.**

1.1 [**] Hadoop Project. HortonWorks' responsibilities will include [**] for the Hadoop Project. Yahoo will [**] of the Hadoop Project Software.

1.2 [**]. As part of its quality assurance activities, HortonWorks will [**].

1.3 [**] Releases. HortonWorks will [**] validate [**] the Hadoop Project Software, at the [**]. HortonWorks [**] changes to the Hadoop Project Software [**].

2. **Projects for 2014 until Term expiration**.

2.1 Develop [**]. HortonWorks will lead initial implementation and test strategy.

2.2 [**]. HortonWorks and Yahoo will work together to advance [**], including bug fixing and scalability work.

2.3 Additional Projects. HortonWorks and Yahoo will work together on various other Hadoop-related engineering projects, such as:

2.3.1 [**].

2.3.2 [**] optimizations.

2.3.3 [**] Compatibility and Performance on [**].



[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

**Amendment #2**
**to the**
**Commercial Agreement**

This Amendment #2 ("**Amendment #2**") to the Commercial Agreement ("**Agreement**") is made effective on **June 4, 2014** (the "**Amendment #2 Effective Date**"), by and between Hortonworks, Inc., with offices at 3460 W. Bayshore Rd, Palo Alto, CA 94303 ("**Hortonworks**") and Yahoo! Inc., with offices at 701 First Avenue, Sunnyvale, CA 94089 ("**Yahoo**"), and amends the Commercial Agreement between the parties entered into on June 21, 2011 (as amended, the "**Agreement**").

**For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree amend the Agreement, as follows:**

1. **Definitions**. Any capitalized terms contained in this Amendment #2 previously appearing in the Agreement will retain the meanings attributed to them in the Agreement.

2. **Renewal**. The parties acknowledge that the Initial Term of the Agreement will expire on June 30, 2014, but the term of the Agreement has been automatically extended, in accordance with Section 16.1 of the Agreement.

3. **Development Cluster Access**. The parties hereby amend the Agreement to provide that, unless earlier terminated as provided in the Agreement, the parties' respective rights and obligations under Section 6 (Development Cluster Access) and Exhibit D (Development Cluster Services) will survive and continue until one hundred twenty (120) days after the expiration of the Initial Term.

4. **Miscellaneous**. In the event of conflict between the terms and conditions of the Agreement or Amendment #1 thereto and the terms and conditions of this Amendment #2, the terms and conditions of this Amendment #2 control. Except as modified by Amendment #2, the Agreement remains in full force and effect. Amendment #2 may be executed in counterparts, each of which will be deemed an original. An originally executed version of this Amendment #2 that is scanned to create an image file (*e.g.*, a PDF or TIFF, etc.) and then delivered by one party to the other party via electronic mail as evidence of signature, will, for all purposes, be considered an original signature.

**IN WITNESS WHEREOF**, the parties have caused this Amendment #2 to be executed by their duly authorized representatives as of the Amendment #2 Effective Date.

**YAHOO! INC.**
701 First Avenue
Sunnyvale, CA 94089

By: /s/ Jacqueline D. Reses
Name: Jacqueline D. Reses
Title: Chief Development Officer

**HORTONWORKS, INC.**
3460 W. Bayshore Road
Palo Alto, CA 94303

By: /s/ Rob Bearden
Name:
Title:

**Exhibit 10.8**

**RESTRICTED STOCK PURCHASE AGREEMENT**

THIS RESTRICTED STOCK PURCHASE AGREEMENT is entered into as of June 30, 2011, by **HortonWorks, Inc.**, a Delaware corporation (the "Company"), and Rob Bearden (the "Purchaser").

**SECTION 1. ACQUISITION OF SHARES.**

(a) **Issue**. On the terms and conditions set forth in this Agreement, the Company agrees to issue 1,750,000 Shares (the "Purchased Shares") to the Purchaser. The issuance shall occur at the offices of the Company on the date set forth above or at such other place and time as the parties may agree.

(b) **Consideration**. The Purchaser agrees to pay $0.18 for each Purchased Share. The Purchase Price is agreed to be at least 100% of the Fair Market Value of the Purchased Shares. Payment shall be made on the issue date with a promissory note substantially in the form attached as **Exhibit A** (the "Note").

(c) **Defined Terms**. Capitalized terms not defined above are defined in Section 12 of this Agreement.

**SECTION 2. RIGHT OF REPURCHASE.**

(a) **Scope of Repurchase Right**. Until they vest in accordance with Subsection (b) below, the Purchased Shares shall be Restricted Shares and shall be subject to the Company' s Right of Repurchase. The Company, however, may decline to exercise its Right of Repurchase or may exercise its Right of Repurchase only with respect to a portion of the Restricted Shares. The Company may exercise its Right of Repurchase only during the Repurchase Period following the termination of the Purchaser' s Service. Unless the Company declines to exercise its Right of Repurchase, the Right of Repurchase shall be exercised automatically under Subsection (d) below. If the Right of Repurchase is exercised, the Company shall pay the Purchaser an amount equal to the Purchase Price for each of the Restricted Shares being repurchased. Until and unless the Right of Repurchase is exercised, the Purchaser shall have any and all rights as a holder of the Restricted Shares, including the right to vote such Restricted Shares.

(b) **Lapse of Repurchase Right**. 25% of the Purchased Shares shall be vested as of the date hereof. 75% of the Purchased Shares shall be subject to the Right of Repurchase on the date hereof (the "Initial Restricted Shares"). The Right of Repurchase shall lapse with respect to 2.083% of such Initial Restricted Shares when the Purchaser completes each month of continuous Service following the date hereof (the "Vesting Commencement Date"). In addition, upon a Change in Control, the Right of Repurchase shall lapse with respect to 100% of the Restricted Shares.

(c) **Escrow**. Upon issuance, the certificate(s) for Restricted Shares shall be deposited in escrow with the Company to be held in accordance with the provisions of this

Agreement. Any additional or exchanged securities or other property described in Subsection (f) below shall immediately be delivered to the Company to be held in escrow. All ordinary cash dividends on Restricted Shares (or on other securities held in escrow) shall be paid directly to the Purchaser and shall not be held in escrow. Restricted Shares, together with any other assets held in escrow under this Agreement, shall be (i) surrendered to the Company for repurchase upon exercise of the Right of Repurchase or the Right of First Refusal or (ii) released to the Purchaser upon his request to the extent that the Shares have ceased to be Restricted Shares (but not more frequently than once every six months). In any event, all Purchased Shares that have ceased to be Restricted Shares, together with any other vested assets held in escrow under this Agreement, shall be released within 90 days after the earlier of (i) the termination of the Purchaser' s Service or (ii) the lapse of the Right of First Refusal. If either the Company or the Purchaser shall make a written request to the other party that an escrow agent other than the Company be appointed, the parties shall mutually agree as to the identity of such escrow agent and take all reasonable action to promptly effectuate the appointment of such alternative escrow agent. Notwithstanding the foregoing, for so long as the Note is outstanding, the Purchased Shares shall be subject to the terms of the Pledge Agreement between the Purchaser and the Company which is entered into in connection with the Note.

(d) **Exercise of Repurchase Right**. The Company shall be deemed to have exercised its Right of Repurchase automatically for all Restricted Shares as of the commencement of the Repurchase Period, unless the Company during the Repurchase Period notifies the holder of the Restricted Shares that it will not exercise its Right of Repurchase for some or all of the Restricted Shares. During the Repurchase Period, the Company shall pay to the holder of the Restricted Shares the Purchase Price determined under Subsection (a) above for the Restricted Shares being repurchased. Such payment shall be made by canceling the necessary portion of the Note to the extent it is outstanding. If the Note is no longer outstanding, payment shall be made in cash or cash equivalents. The certificate(s) representing the Restricted Shares being repurchased shall be delivered to the Company properly endorsed for transfer.

(e) **Termination of Rights as Stockholder**. If the Right of Repurchase is exercised in accordance with this Section 2 and the Company makes available the consideration for the Restricted Shares being repurchased, then the person from whom the Restricted Shares are repurchased shall no longer have any rights as a holder of the Restricted Shares (other than the right to receive payment of such consideration). Such Restricted Shares shall be deemed to have been repurchased pursuant to this Section 2, whether or not the certificate(s) for such Restricted Shares have been delivered to the Company or the consideration for such Restricted Shares has been accepted.

(f) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company with or into another entity, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company' s outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Restricted Shares shall immediately be subject to the Right of Repurchase. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class

of the Restricted Shares. Appropriate adjustments shall also be made to the price per share to be paid upon the exercise of the Right of Repurchase, provided that the aggregate purchase price payable for the Restricted Shares shall remain the same. In the event of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, the Right of Repurchase may be exercised by the Company' s successor.

(g) **Transfer of Restricted Shares**. The Purchaser shall not transfer, assign, encumber or otherwise dispose of any Restricted Shares without the advance written consent of the Company. Notwithstanding the foregoing, the Purchaser may transfer any Purchased Shares, including any Restricted Shares, without any such consent to one or more members of the Purchaser' s Immediate Family, or to a trust established by the Purchaser for the benefit of the Purchaser and/or one or more persons in the Purchaser' s Immediate Family, provided that any such Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement and the Note (including the pledge agreement attached as Exhibit 1 thereto).

(h) **Assignment of Repurchase Right**. The Company may freely assign the Right of Repurchase, in whole or in part. Any person who accepts an assignment of the Right of Repurchase from the Company shall assume all of the Company' s rights and obligations under this Section 2.

**SECTION 3. RIGHT OF FIRST REFUSAL.**

(a) **Right of First Refusal**. In the event that the Purchaser proposes to sell, pledge or otherwise transfer to a third party any Purchased Shares, or any interest in Purchased Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Purchased Shares. If the Purchaser desires to transfer Purchased Shares, the Purchaser shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Purchased Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, state or foreign securities laws. The Transfer Notice shall be signed both by the Purchaser and by the proposed Transferee and must constitute a binding commitment of both parties to the transfer of the Purchased Shares. The Company shall have the right to purchase all, and not less than all, of the Purchased Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares**. If the Company fails to exercise its Right of First Refusal within 30 days after receiving the Transfer Notice, the Purchaser may, not later than 90 days after the Company received the Transfer Notice, conclude a transfer of the Purchased Shares subject to the Transfer Notice on the terms and conditions described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, state and foreign securities laws and not in violation of any other contractual restrictions to which the Purchaser is bound. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Purchaser,

shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Purchased Shares on the terms set forth in the Transfer Notice within 60 days after the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Purchased Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Purchased Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company with or into another entity, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company' s outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Purchased Shares subject to this Section 3 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Purchased Shares subject to this Section 3.

(d) **Termination of Right of First Refusal**. Any other provision of this Section 3 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Purchaser desires to transfer Purchased Shares, the Company shall have no Right of First Refusal, and the Purchaser shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers**. This Section 3 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Purchaser' s Immediate Family, or to a trust established by the Purchaser for the benefit of the Purchaser and/or one or more persons in the Purchaser' s Immediate Family, provided in either case that any such Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Purchaser transfers any Purchased Shares, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to the Purchaser.

(f) **Termination of Rights as Stockholder**. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 3, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal**. The Board of Directors may freely assign the Company' s Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall assume all of the Company' s rights and obligations under this Section 3.

**SECTION 4. OTHER RESTRICTIONS ON TRANSFER.**

(a) **Purchaser Representations**. In connection with the issuance and acquisition of Shares under this Agreement, the Purchaser hereby represents and warrants to the Company as follows:

(i) The Purchaser is an "accredited investor" within the meaning of Rule 501 of Regulation D of the Securities and Exchange Commission, as presently in effect.

(ii) The Purchaser is acquiring and will hold the Purchased Shares for investment for his, her or its account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act.

(iii) The Purchaser understands that the Purchased Shares have not been registered under the Securities Act by reason of a specific exemption therefrom and that the Purchased Shares must be held indefinitely, unless they are subsequently registered under the Securities Act or the Purchaser obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required. The Purchaser further acknowledges and understands that the Company is under no obligation to register the Purchased Shares.

(iv) The Purchaser is aware of the adoption of Rule 144 by the Securities and Exchange Commission under the Securities Act, which permits limited public resales of securities acquired in a non-public offering, subject to the satisfaction of certain conditions, including (without limitation) the availability of certain current public information about the issuer, the resale occurring only after the holding period required by Rule 144 has been satisfied, the sale occurring through an unsolicited "broker' s transaction," and the amount of securities being sold during any three-month period not exceeding specified limitations. The Purchaser acknowledges and understands that the conditions for resale set forth in Rule 144 have not been satisfied and that the Company has no plans to satisfy these conditions in the foreseeable future.

(v) The Purchaser will not sell, transfer or otherwise dispose of the Purchased Shares in violation of the Securities Act, the Securities Exchange Act of 1934, or the rules promulgated thereunder, including Rule 144 under the Securities Act. The Purchaser agrees that he or she will not dispose of the Purchased Shares unless and until he or she has complied with all requirements of this Agreement applicable to the disposition of Purchased Shares and he or she has provided the Company with written assurances, in substance and form satisfactory to the Company, that (A) the proposed disposition does not require registration of

the Purchased Shares under the Securities Act or all appropriate action necessary for compliance with the registration requirements of the Securities Act or with any exemption from registration available under the Securities Act (including Rule 144) has been taken and (B) the proposed disposition will not result in the contravention of any transfer restrictions applicable to the Purchased Shares under state securities law.

(vi) The Purchaser has been furnished with, and has had access to, such information as he or she considers necessary or appropriate for deciding whether to invest in the Purchased Shares, and the Purchaser has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the issuance of the Purchased Shares.

(vii) The Purchaser is aware that his, her or its investment in the Company is a speculative investment that has limited liquidity and is subject to the risk of complete loss. The Purchaser is able, without impairing his, her or its financial condition, to hold the Purchased Shares for an indefinite period and to suffer a complete loss of his, her or its investment in the Purchased Shares.

(b) **Securities Law Restrictions**. Regardless of whether the offering and sale of Shares under this Agreement have been registered under the Securities Act or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of the Purchased Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act, the securities laws of any state or any other law.

(c) **Market Stand-Off**. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company' s initial public offering, the Purchaser or a Transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Purchased Shares without the prior written consent of the Company or its managing underwriter. Such restriction (the "Market Stand-Off") shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days plus such additional period as may reasonably be requested by the Company or such underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports or (ii) analyst recommendations and opinions, including (without limitation) the restrictions set forth in Rule 2711(f)(4) of the National Association of Securities Dealers and Rule 472(f)(4) of the New York Stock Exchange, as amended, or any similar successor rules. The Market Stand-Off shall in any event terminate two years after the date of the Company' s initial public offering. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company' s outstanding securities without receipt of consideration, any new, substituted or

additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Purchased Shares until the end of the applicable stand-off period. The Company' s underwriters shall be beneficiaries of the agreement set forth in this Subsection (c). This Subsection (c) shall not apply to Shares registered in the public offering under the Securities Act.

(d) **Rights of the Company**. The Company shall not be required to (i) transfer on its books any Purchased Shares that have been sold or transferred in contravention of this Agreement or (ii) treat as the owner of Purchased Shares, or otherwise to accord voting, dividend or liquidation rights to, any transferee to whom Purchased Shares have been transferred in contravention of this Agreement.

**SECTION 5. SUCCESSORS AND ASSIGNS.**

Except as otherwise expressly provided to the contrary, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and be binding upon the Purchaser and the Purchaser' s legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person has become a party to this Agreement or has agreed in writing to join herein and to be bound by the terms, conditions and restrictions hereof.

**SECTION 6. NO RETENTION RIGHTS.**

Nothing in this Agreement shall confer upon the Purchaser any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Purchaser) or of the Purchaser, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

**SECTION 7. TAX ELECTION.**

The acquisition of the Purchased Shares may result in adverse tax consequences that may be avoided or mitigated by filing an election under Code Section 83(b). Such election may be filed only within 30 days after the date of purchase. The form for making the Code Section 83(b) election is attached to this Agreement as **Exhibit B**. The Purchaser should consult with his tax advisor to determine the tax consequences of acquiring the Purchased Shares and the advantages and disadvantages of filing the Code Section 83(b) election. The Purchaser acknowledges that it is his sole responsibility, and not the Company' s, to file a timely election under Code Section 83(b), even if the Purchaser requests the Company or its representatives to make this filing on his behalf.

**SECTION 8. LEGENDS.**

All certificates evidencing Purchased Shares shall bear the following legends:

"THE SHARES REPRESENTED HEREBY MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER OF THE SHARES (OR THE PREDECESSOR IN INTEREST TO THE SHARES). SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF REPURCHASE AND CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE."

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED."

If required by the authorities of any state in connection with the issuance of the Purchased Shares, the legend or legends required by such state authorities shall also be endorsed on all such certificates.

**SECTION 9. NOTICE.**

Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or (iii) deposit with Federal Express Corporation, with shipping charges prepaid. Notice shall be addressed to the Company at its principal executive office and to the Purchaser at the address that he or she most recently provided to the Company in accordance with this Section 9.

**SECTION 10. ENTIRE AGREEMENT.**

This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. It supersedes any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof. As of the date hereof, the Purchaser holds no other equity interests in the Company other than the Purchased Shares.

**SECTION 11. CHOICE OF LAW.**

This Agreement shall be governed by, and construed in accordance with, the laws of the state of Delaware, as such laws are applied to contracts entered into and performed in such state.

**SECTION 12. DEFINITIONS.**

(a) "**Agreement**" shall mean this Restricted Stock Purchase Agreement.

(b) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time.

(c) "**Cause**" shall mean:

(i) Purchaser' s repeated failure to attempt in good faith to perform his material duties and responsibilities after written notice of such failure;

(ii) willful misconduct of a material nature (without regard to the size of the Company) with respect to the Company or in the performance of Purchaser' s duties;

(iii) willful and material violation of the Company' s written policies regarding harassment or discrimination, or of any other material provision of the Company' s Code of Ethics or other similar policy;

(iv) a willful and material breach of any restrictive covenant provision contained in any agreement between the Company and Purchaser;

(v) indictment, conviction or plea of nolo contendere or guilty to a felony or crime of serious moral turpitude; or

(vi) willful misconduct having or likely to have, in the good faith opinion of the Board, a material adverse impact on the Company, either economically or by reputation.

(d) "**Change in Control**" shall mean the consummation of (i) the dissolution or liquidation of the Company, (ii) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (iii) a merger, reorganization or consolidation pursuant to which the holders of the Company' s outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the surviving or resulting entity (or its ultimate parent, if applicable), or (iv) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a Person or group of Persons; provided, however, that the Company' s initial public offering, any subsequent public offering or another capital raising event, or a merger effected solely to change the Company' s domicile shall not constitute a Change in Control.

(e) "**Code**" means the Internal Revenue Code of 1986, as amended.

(f) "**Consultant**" shall mean a person who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor, excluding Employees and members of the Board of Directors.

(g) "**Employee**" shall mean any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(h) "**Fair Market Value**" shall mean the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(i) "**Good Reason**" shall be deemed to exist only if the Company shall fail to correct within 30 days after receipt of written notice from Purchaser specifying in reasonable detail the reasons Purchaser believes one of the following events or conditions has occurred (provided such notice is delivered by Purchaser no later than 30 days after the later of the date of the occurrence of the event or condition or the date that the Purchaser becomes aware of the initial existence of the occurrence of the event or condition): (1) a material diminution of Purchaser' s then current aggregate base salary (other than reductions that also affect other similarly situated employees proportionately) without Purchaser' s prior written agreement; (2) the material diminution of Purchaser' s authority, duties or responsibilities as an employee of the Company without Purchaser' s prior written agreement (except that change in title by itself shall not constitute Good Reason); or (3) the relocation of Purchaser' s position with the Company to a location that is greater than 50 miles from Purchaser' s current principal place of employment with the Company, unless such relocation results in a shorter commute from Purchaser' s principal place of residence, without Purchaser' s prior written agreement, provided that in all events the termination of Purchaser' s service with the Company shall not be treated as a termination for "Good Reason" unless such termination occurs not more than six (6) months following the date of notice of the initial existence of the occurrence of the event or condition claimed to constitute "Good Reason."

(j) "**Immediate Family**" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.

(k) "**Involuntary Termination**" shall mean the termination of the Purchaser' s Service by reason of:

(i) The involuntary discharge of the Purchaser by the Company (or the Parent or Subsidiary employing him or her) for reasons other than Cause; or

(ii) The voluntary resignation of the Purchaser for Good Reason.

(l) "**Parent**" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing more than 50% of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(m) "**Purchased Shares**" shall mean the Shares purchased by the Purchaser pursuant to this Agreement as set forth in Section 1(a).

(n) "**Purchase Price**" shall mean the dollar value for which one Share may be purchased pursuant to this Agreement, as specified in Section 1(b).

(o) "**Repurchase Period**" shall mean a period of 180 consecutive days commencing on the date when the Purchaser' s Service terminates for any reason, including (without limitation) death or disability.

(p) "**Restricted Share**" shall mean a Purchased Share that is subject to the Right of Repurchase.

(q) "**Right of First Refusal**" shall mean the Company' s right of first refusal described in Section 3.

(r) "**Right of Repurchase**" shall mean the Company' s right of repurchase described in Section 2.

(s) "**Securities Act**" shall mean the Securities Act of 1933, as amended.

(t) "**Share**" shall mean one share of Stock.

(u) "**Stock**" shall mean the Common Stock of the Company.

(v) "**Transferee**" shall mean any person to whom the Purchaser has directly or indirectly transferred any Purchased Share.

(w) "**Transfer Notice**" shall mean the notice of a proposed transfer of Purchased Shares described in Section 3.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

**Purchaser:**

/s/ Rob Bearden
Rob Bearden

**HortonWorks, Inc.**

By: /s/ Rob Bearden
Rob Bearden, President

EXHIBIT A

Form of Promissory Note

EXHIBIT B

Form of 83(b) Election

**Exhibit 10.9**

**RESTRICTED STOCK PURCHASE AGREEMENT**

**THIS RESTRICTED STOCK PURCHASE AGREEMENT** is entered into as of December 27, 2011, by **HortonWorks, Inc.**, a Delaware corporation (the "Company"), and Shaun Connolly (the "Purchaser").

1. **ACQUISITION OF SHARES.**

(a) **Issue**. On the terms and conditions set forth in this Agreement, the Company agrees to issue **444,444** Shares (the "Purchased Shares") to the Purchaser. The issuance shall occur at the offices of the Company on the date set forth above or at such other place and time as the parties may agree.

(b) **Consideration**. The Purchaser agrees to pay $0.27 for each Purchased Share. The Purchase Price is agreed to be at least 100% of the Fair Market Value of the Purchased Shares. Payment shall be made on the issue date with a promissory note substantially in the form attached as **Exhibit A** (the "Note").

(c) **Defined Terms**. Capitalized terms not defined above are defined in Section 12 of this Agreement.

2. **RIGHT OF REPURCHASE.**

(a) **Scope of Repurchase Right**. Until they vest in accordance with Subsection (b) below, the Purchased Shares shall be Restricted Shares and shall be subject to the Company' s Right of Repurchase. The Company, however, may decline to exercise its Right of Repurchase or may exercise its Right of Repurchase only with respect to a portion of the Restricted Shares. The Company may exercise its Right of Repurchase only during the Repurchase Period following the termination of the Purchaser' s Service. Unless the Company declines to exercise its Right of Repurchase, the Right of Repurchase shall be exercised automatically under Subsection (d) below. If the Right of Repurchase is exercised, the Company shall pay the Purchaser an amount equal to the Purchase Price for each of the Restricted Shares being repurchased. Until and unless the Right of Repurchase is exercised, the Purchaser shall have any and all rights as a holder of the Restricted Shares, including the right to vote such Restricted Shares.

(b) **Lapse of Repurchase Right**. The Right of Repurchase shall lapse with respect to 25% of the Purchased Shares when the Purchaser completes 12 months of continuous Service from December 5, 2011 (the "Vesting Commencement Date"). Thereafter, the Right of Repurchase shall lapse with respect to 1/48th of the Purchased Shares when the Purchaser completes each additional month of continuous Service to the Company. In addition, if the Company is subject to a Change in Control prior to the termination of the Purchaser' s Service, then the Right of Repurchase shall lapse with respect to the 50% of the then Restricted Shares. Furthermore, if the Purchaser is subject to an Involuntary Termination within 12 months following a Change in Control, then the Right of Repurchase shall lapse with respect to 100% of the then Restricted Shares.

(c) **Escrow**. Upon issuance, the certificate(s) for Restricted Shares shall be deposited in escrow with the Company to be held in accordance with the provisions of this Agreement. Any additional or exchanged securities or other property described in Subsection (f) below shall immediately be delivered to the Company to be held in escrow. All ordinary cash dividends on Restricted Shares (or on other securities held in escrow) shall be paid directly to the Purchaser and shall not be held in escrow. Restricted Shares, together with any other assets held in escrow under this Agreement, shall be (i) surrendered to the Company for repurchase upon exercise of the Right of Repurchase or the Right of First Refusal or (ii) released to the Purchaser upon his request to the extent that the Shares have ceased to be Restricted Shares (but not more frequently than once every six months). In any event, all Purchased Shares that have ceased to be Restricted Shares, together with any other vested assets held in escrow under this Agreement, shall be released within 90 days after the earlier of (i) the termination of the Purchaser' s Service or (ii) the lapse of the Right of First Refusal. If either the Company or the Purchaser shall make a written request to the other party that an escrow agent other than the Company be appointed, the parties shall mutually agree as to the identity of such escrow agent and take all reasonable action to promptly effectuate the appointment of such alternative escrow agent. Notwithstanding the foregoing, for so long as the Note is outstanding, the Purchased Shares shall be subject to the terms of the Pledge Agreement between the Purchaser and the Company which is entered into in connection with the Note.

(d) **Exercise of Repurchase Right**. The Company shall be deemed to have exercised its Right of Repurchase automatically for all Restricted Shares as of the commencement of the Repurchase Period, unless the Company during the Repurchase Period notifies the holder of the Restricted Shares that it will not exercise its Right of Repurchase for some or all of the Restricted Shares. During the Repurchase Period, the Company shall pay to the holder of the Restricted Shares the Purchase Price determined under Subsection (a) above for the Restricted Shares being repurchased. Such payment shall be made by canceling the necessary portion of the Note to the extent it is outstanding. If the Note is no longer outstanding, payment shall be made in cash or cash equivalents. The certificate(s) representing the Restricted Shares being repurchased shall be delivered to the Company properly endorsed for transfer.

(e) **Termination of Rights as Stockholder**. If the Right of Repurchase is exercised in accordance with this Section 2 and the Company makes available the consideration for the Restricted Shares being repurchased, then the person from whom the Restricted Shares are repurchased shall no longer have any rights as a holder of the Restricted Shares (other than the right to receive payment of such consideration). Such Restricted Shares shall be deemed to have been repurchased pursuant to this Section 2, whether or not the certificate(s) for such Restricted Shares have been delivered to the Company or the consideration for such Restricted Shares has been accepted.

(f) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company with or into another entity, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company' s outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Restricted Shares shall

immediately be subject to the Right of Repurchase. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Restricted Shares. Appropriate adjustments shall also be made to the price per share to be paid upon the exercise of the Right of Repurchase, provided that the aggregate purchase price payable for the Restricted Shares shall remain the same. In the event of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, the Right of Repurchase may be exercised by the Company' s successor.

(g) **Transfer of Restricted Shares**. The Purchaser shall not transfer, assign, encumber or otherwise dispose of any Restricted Shares without the advance written consent of the Company. Notwithstanding the foregoing, the Purchaser may transfer any Purchased Shares, including any Restricted Shares, without any such consent to one or more members of the Purchaser' s Immediate Family, or to a trust established by the Purchaser for the benefit of the Purchaser and/or one or more persons in the Purchaser' s Immediate Family, provided that any such Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement and the Note (including the pledge agreement attached as Exhibit 1 thereto).

(h) **Assignment of Repurchase Right**. The Company may freely assign the Right of Repurchase, in whole or in part. Any person who accepts an assignment of the Right of Repurchase from the Company shall assume all of the Company' s rights and obligations under this Section 2.

3. **RIGHT OF FIRST REFUSAL.**

(a) **Right of First Refusal**. In the event that the Purchaser proposes to sell, pledge or otherwise transfer to a third party any Purchased Shares, or any interest in Purchased Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Purchased Shares. If the Purchaser desires to transfer Purchased Shares, the Purchaser shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Purchased Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, state or foreign securities laws. The Transfer Notice shall be signed both by the Purchaser and by the proposed Transferee and must constitute a binding commitment of both parties to the transfer of the Purchased Shares. The Company shall have the right to purchase all, and not less than all, of the Purchased Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares**. If the Company fails to exercise its Right of First Refusal within 30 days after receiving the Transfer Notice, the Purchaser may, not later than 90 days after the Company received the Transfer Notice, conclude a transfer of the Purchased Shares subject to the Transfer Notice on the terms and conditions described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, state and foreign securities laws and not in violation of any other contractual restrictions to which the

Purchaser is bound. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Purchaser, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Purchased Shares on the terms set forth in the Transfer Notice within 60 days after the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Purchased Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Purchased Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property**. In the event of a merger or consolidation of the Company with or into another entity, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company' s outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Purchased Shares subject to this Section 3 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Purchased Shares subject to this Section 3.

(d) **Termination of Right of First Refusal**. Any other provision of this Section 3 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Purchaser desires to transfer Purchased Shares, the Company shall have no Right of First Refusal, and the Purchaser shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers**. This Section 3 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Purchaser' s Immediate Family, or to a trust established by the Purchaser for the benefit of the Purchaser and/or one or more persons in the Purchaser' s Immediate Family, provided in either case that any such Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Purchaser transfers any Purchased Shares, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to the Purchaser.

(f) **Termination of Rights as Stockholder**. If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 3, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal**. The Board of Directors may freely assign the Company' s Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall assume all of the Company' s rights and obligations under this Section 3.

4. **OTHER RESTRICTIONS ON TRANSFER.**

(a) **Purchaser Representations**. In connection with the issuance and acquisition of Shares under this Agreement, the Purchaser hereby represents and warrants to the Company as follows:

(i) The Purchaser is an "accredited investor" within the meaning of Rule 501 of Regulation D of the Securities and Exchange Commission, as presently in effect.

(ii) The Purchaser is acquiring and will hold the Purchased Shares for investment for his, her or its account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act.

(iii) The Purchaser understands that the Purchased Shares have not been registered under the Securities Act by reason of a specific exemption therefrom and that the Purchased Shares must be held indefinitely, unless they are subsequently registered under the Securities Act or the Purchaser obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required. The Purchaser further acknowledges and understands that the Company is under no obligation to register the Purchased Shares.

(iv) The Purchaser is aware of the adoption of Rule 144 by the Securities and Exchange Commission under the Securities Act, which permits limited public resales of securities acquired in a non-public offering, subject to the satisfaction of certain conditions, including (without limitation) the availability of certain current public information about the issuer, the resale occurring only after the holding period required by Rule 144 has been satisfied, the sale occurring through an unsolicited "broker' s transaction," and the amount of securities being sold during any three-month period not exceeding specified limitations. The Purchaser acknowledges and understands that the conditions for resale set forth in Rule 144 have not been satisfied and that the Company has no plans to satisfy these conditions in the foreseeable future.

(v) The Purchaser will not sell, transfer or otherwise dispose of the Purchased Shares in violation of the Securities Act, the Securities Exchange Act of 1934, or the rules promulgated thereunder, including Rule 144 under the Securities Act. The Purchaser agrees that he or she will not dispose of the Purchased Shares unless and until he or she has complied with all requirements of this Agreement applicable to the disposition of Purchased Shares and he or she

has provided the Company with written assurances, in substance and form satisfactory to the Company, that (A) the proposed disposition does not require registration of the Purchased Shares under the Securities Act or all appropriate action necessary for compliance with the registration requirements of the Securities Act or with any exemption from registration available under the Securities Act (including Rule 144) has been taken and (B) the proposed disposition will not result in the contravention of any transfer restrictions applicable to the Purchased Shares under state securities law.

(vi) The Purchaser has been furnished with, and has had access to, such information as he or she considers necessary or appropriate for deciding whether to invest in the Purchased Shares, and the Purchaser has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the issuance of the Purchased Shares.

(vii) The Purchaser is aware that his, her or its investment in the Company is a speculative investment that has limited liquidity and is subject to the risk of complete loss. The Purchaser is able, without impairing his, her or its financial condition, to hold the Purchased Shares for an indefinite period and to suffer a complete loss of his, her or its investment in the Purchased Shares.

(b) **Securities Law Restrictions**. Regardless of whether the offering and sale of Shares under this Agreement have been registered under the Securities Act or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of the Purchased Shares (including the placement of appropriate legends on stock certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with the Securities Act, the securities laws of any state or any other law.

(c) **Market Stand-Off**. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company' s initial public offering, the Purchaser or a Transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Purchased Shares without the prior written consent of the Company or its managing underwriter. Such restriction (the "Market Stand-Off") shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days plus such additional period as may reasonably be requested by the Company or such underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports or (ii) analyst recommendations and opinions, including (without limitation) the restrictions set forth in Rule 2711(f)(4) of the National Association of Securities Dealers and Rule 472(f)(4) of the New York Stock Exchange, as amended, or any similar successor rules. The Market Stand-Off shall in any event terminate two years after the date of the Company' s initial public offering. In the event of the declaration of a stock dividend, a spin-off, a stock

split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company' s outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Purchased Shares until the end of the applicable stand-off period. The Company' s underwriters shall be beneficiaries of the agreement set forth in this Subsection (c). This Subsection (c) shall not apply to Shares registered in the public offering under the Securities Act.

(d) **Rights of the Company**. The Company shall not be required to (i) transfer on its books any Purchased Shares that have been sold or transferred in contravention of this Agreement or (ii) treat as the owner of Purchased Shares, or otherwise to accord voting, dividend or liquidation rights to, any transferee to whom Purchased Shares have been transferred in contravention of this Agreement.

## 5. SUCCESSORS AND ASSIGNS.

Except as otherwise expressly provided to the contrary, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and be binding upon the Purchaser and the Purchaser' s legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person has become a party to this Agreement or has agreed in writing to join herein and to be bound by the terms, conditions and restrictions hereof.

## 6. NO RETENTION RIGHTS.

Nothing in this Agreement shall confer upon the Purchaser any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Purchaser) or of the Purchaser, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

## 7. TAX ELECTION.

The acquisition of the Purchased Shares may result in adverse tax consequences that may be avoided or mitigated by filing an election under Code Section 83(b). Such election may be filed only within 30 days after the date of purchase. The form for making the Code Section 83(b) election is attached to this Agreement as **Exhibit B**. The Purchaser should consult with his tax advisor to determine the tax consequences of acquiring the Purchased Shares and the advantages and disadvantages of filing the Code Section 83(b) election. The Purchaser acknowledges that it is his sole responsibility, and not the Company' s, to file a timely election under Code Section 83(b), even if the Purchaser requests the Company or its representatives to make this filing on his behalf.

8. **LEGENDS.**

All certificates evidencing Purchased Shares shall bear the following legends:

"THE SHARES REPRESENTED HEREBY MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER OF THE SHARES (OR THE PREDECESSOR IN INTEREST TO THE SHARES). SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF REPURCHASE AND CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE."

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED."

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD AFTER THE EFFECTIVE DATE OF THE ISSUER' S REGISTRATION STATEMENT FILED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE ISSUER' S PRINCIPAL OFFICE. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES."

If required by the authorities of any state in connection with the issuance of the Purchased Shares, the legend or legends required by such state authorities shall also be endorsed on all such certificates.

9. **NOTICE.**

Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid or (iii) deposit with Federal Express Corporation, with shipping charges prepaid. Notice shall be addressed to the Company at its principal executive office and to the Purchaser at the address that he or she most recently provided to the Company in accordance with this Section 9.

10. **ENTIRE AGREEMENT.**

This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. It supersedes any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof. For the avoidance of doubt, this Agreement satisfies and extinguishes the

Purchaser' s right to any anti-dilution rights contained in his employment offer with the Company dated December 5, 2011. As of the date hereof, the Purchaser holds no other equity interests in the Company other than the Purchased Shares.

11. **CHOICE OF LAW.**

This Agreement shall be governed by, and construed in accordance with, the laws of the state of Delaware, as such laws are applied to contracts entered into and performed in such state.

12. **DEFINITIONS.**

(a) "**Agreement**" shall mean this Restricted Stock Purchase Agreement.

(b) "**Board of Directors**" shall mean the Board of Directors of the Company, as constituted from time to time.

(c) "**Cause**" shall mean termination of Purchaser' s employment by the Company based upon the Company' s good faith belief that one or more of the following has occurred which with respect to clauses (i), (ii) and (iii) below, if curable, Purchaser has not cured within fourteen (14) days after Purchaser receives written notice from the Company specifying with reasonable particularity such occurrence:

(i) Purchaser' s material neglect or material failure to perform his or her job duties and responsibilities, as determined by the Company' s Chief Executive Officer;

(ii) Purchaser' s failure or refusal to comply in any material respect with lawful Company policies or directives;

(iii) Purchaser' s material breach of any contract or agreement between Purchaser and the Company (including but not limited to this Agreement and the Proprietary Information and Inventions Agreement between Purchaser and the Company), or Purchaser' s material breach of any statutory duty, fiduciary duty or any other obligation that Purchaser owes to the Company;

(iv) Purchaser' s commission of an act of fraud, theft, embezzlement or other unlawful act against the Company or involving its property or assets or Purchaser engaging in unprofessional, unethical or other intentional acts that materially discredit the Company or are materially detrimental to the reputation, character or standing of the Company; or

(v) Purchaser' s indictment or conviction or nolo contendre or guilty plea with respect to any felony or crime of moral turpitude.

Following notice and cure as provided in the preceding sentence, upon any additional one-time occurrence of one or more of the events enumerated in that sentence, the Company may terminate Purchaser' s employment for Cause without notice and opportunity to cure. However, should the Company choose to offer Purchaser another opportunity to cure, it shall not be deemed a waiver of its rights under this provision.

(d) "**Change in Control**" shall mean the consummation of (i) the dissolution or liquidation of the Company, (ii) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (iii) a merger, reorganization or consolidation pursuant to which the holders of the Company' s outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the surviving or resulting entity (or its ultimate parent, if applicable), or (iv) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a Person or group of Persons; provided, however, that the Company' s initial public offering, any subsequent public offering or another capital raising event, or a merger effected solely to change the Company' s domicile shall not constitute a Change in Control.

(e) "**Code**" means the Internal Revenue Code of 1986, as amended.

(f) "**Consultant**" shall mean a person who performs bona fide services for the Company, a Parent or a Subsidiary as a consultant or advisor, excluding Employees and members of the Board of Directors.

(g) "**Employee**" shall mean any individual who is a common-law employee of the Company, a Parent or a Subsidiary.

(h) "**Fair Market Value**" shall mean the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(i) "**Good Reason**" shall be deemed to exist only if the Company shall fail to correct within 30 days after receipt of written notice from Purchaser specifying in reasonable detail the reasons Purchaser believes one of the following events or conditions has occurred (provided such notice is delivered by Purchaser no later than 30 days after the later of the date of the occurrence of the event or condition or the date that the Purchaser becomes aware of the initial existence of the occurrence of the event or condition): (1) a material diminution of Purchaser' s then current aggregate base salary (other than reductions that also affect other similarly situated employees proportionately) without Purchaser' s prior written agreement; (2) the material diminution of Purchaser' s authority, duties or responsibilities as an employee of the Company without Purchaser' s prior written agreement (except that change in title by itself shall not constitute Good Reason); or (3) the relocation of Purchaser' s position with the Company to a location that is greater than 50 miles from Purchaser' s current principal place of employment with the Company, unless such relocation results in a shorter commute from Purchaser' s principal place of residence, without Purchaser' s prior written agreement, provided that in all events the termination of Purchaser' s service with the Company shall not be treated as a termination for "Good Reason" unless such termination occurs not more than six (6) months following the date of notice of the initial existence of the occurrence of the event or condition claimed to constitute "Good Reason."

(j) "**Immediate Family**" shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.

(k) "**Involuntary Termination**" shall mean the termination of the Purchaser' s Service by reason of:

(i) The involuntary discharge of the Purchaser by the Company (or the Parent or Subsidiary employing him or her) for reasons other than Cause; or

(ii) The voluntary resignation of the Purchaser for Good Reason.

(l) "**Parent**" shall mean any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing more than 50% of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(m) "**Purchased Shares**" shall mean the Shares purchased by the Purchaser pursuant to this Agreement, as set forth in Section 1(a).

(n) "**Purchase Price**" shall mean the dollar value for which one Share may be purchased pursuant to this Agreement, as specified in Section 1(b).

(o) "**Repurchase Period**" shall mean a period of 180 consecutive days commencing on the date when the Purchaser' s Service terminates for any reason, including (without limitation) death or disability.

(p) "**Restricted Share**" shall mean a Purchased Share that is subject to the Right of Repurchase.

(q) "**Right of First Refusal**" shall mean the Company' s right of first refusal described in Section 3.

(r) "**Right of Repurchase**" shall mean the Company' s right of repurchase described in Section 2.

(s) "**Securities Act**" shall mean the Securities Act of 1933, as amended.

(t) "**Service**" shall mean service as an Employee or Consultant.

(u) "**Share**" shall mean one share of Stock.

(v) "**Stock**" shall mean the Common Stock of the Company.

(w) "**Subsidiary**" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(x) "**Transferee**" shall mean any person to whom the Purchaser has directly or indirectly transferred any Purchased Share.

(y) "**Transfer Notice**" shall mean the notice of a proposed transfer of Purchased Shares described in Section 3.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

**Purchaser:**

/s/ Shaun Connolly
Shaun Connolly

**HortonWorks, Inc.**

By: /s/ Dan Bradford
Dan Bradford, Secretary, VP, Finance & Administration

EXHIBIT A

Form of Promissory Note

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EXHIBIT B

Form of 83(b) Election

**Exhibit 10.10**

**HORTONWORKS, INC.**

**2014 EMPLOYEE STOCK PURCHASE PLAN**

The purpose of the Hortonworks, Inc. 2014 Employee Stock Purchase Plan ("the Plan") is to provide eligible employees of Hortonworks, Inc. (the "Company") and each Designated Subsidiary (as defined in Section 11) with opportunities to purchase shares of the Company' s common stock, par value $0.0001 per share (the "Common Stock"). 5,000,000 shares of Common Stock in the aggregate have been approved and reserved for this purpose, plus on January 1, 2015 and each January 1 thereafter, the number of shares of Stock reserved and available for issuance under the Plan shall be cumulatively increased by the lesser of (i) 2,000,000 shares of Stock; (ii) 1 percent (1%) of the number of shares of Stock issued and outstanding on the immediately preceding December 31 or (iii) such lesser number of shares as determined by the Administrator (the "Annual Increase"). The Plan is intended to constitute an "employee stock purchase plan" within the meaning of Section 423(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and shall be interpreted in accordance with that intent.

1. Administration. The Plan will be administered by the person or persons (the "Administrator") appointed by the Company' s Board of Directors (the "Board") for such purpose. The Administrator has authority at any time to: (i) adopt, alter and repeal such rules, guidelines and practices for the administration of the Plan and for its own acts and proceedings as it shall deem advisable; (ii) interpret the terms and provisions of the Plan; (iii) make all determinations it deems advisable for the administration of the Plan; (iv) decide all disputes arising in connection with the Plan; and (v) otherwise supervise the administration of the Plan. All interpretations and decisions of the Administrator shall be binding on all persons, including the Company and the Participants. No member of the Board or individual exercising administrative authority with respect to the Plan shall be liable for any action or determination made in good faith with respect to the Plan or any option granted hereunder.

2. Offerings. The Company will make one or more offerings to eligible employees to purchase Common Stock under the Plan ("Offerings"). Unless otherwise determined by the Administrator, an Offering will begin on the first business day occurring on or after each January 1st and July 1st and will end on the last business day occurring on or before the following June 30th and December 31st, respectively. The Administrator may, in its discretion, designate a different period for any Offering, provided that no Offering shall exceed one year in duration or overlap any other Offering.

3. Eligibility. All individuals classified as employees on the payroll records of the Company and each Designated Subsidiary are eligible to participate in any one or more of the Offerings under the Plan, provided that as of the first day of the applicable Offering (the "Offering Date") they are customarily employed by the Company or a Designated Subsidiary for more than 20 hours a week and have completed at least three months of employment. Notwithstanding any other provision herein, individuals who are not contemporaneously classified as employees of the Company or a Designated Subsidiary for purposes of the Company' s or applicable Designated Subsidiary' s payroll system are not considered to be eligible employees of the Company or any Designated Subsidiary and shall not be eligible to participate in the Plan. In the event any such individuals are reclassified as employees of the Company or a Designated Subsidiary for any purpose, including, without limitation, common law or statutory employees, by any action of any third party, including, without limitation, any government agency, or as a result of any private lawsuit, action or administrative proceeding, such individuals shall, notwithstanding such reclassification, remain ineligible for participation.

Notwithstanding the foregoing, the exclusive means for individuals who are not contemporaneously classified as employees of the Company or a Designated Subsidiary on the Company' s or Designated Subsidiary' s payroll system to become eligible to participate in this Plan is through an amendment to this Plan, duly executed by the Company, which specifically renders such individuals eligible to participate herein.

4. Participation.

(a) An eligible employee who is not a Participant on any Offering Date may participate in such Offering by submitting an enrollment form to his or her appropriate payroll location at least 15 business days before the Offering Date (or by such other deadline as shall be established by the Administrator for the Offering).

(b) Enrollment. The enrollment form will (a) state a whole percentage to be deducted from an eligible employee' s Compensation (as defined in Section 11) per pay period, (b) authorize the purchase of Common Stock in each Offering in accordance with the terms of the Plan and (c) specify the exact name or names in which shares of Common Stock purchased for such individual are to be issued pursuant to Section 10. An employee who does not enroll in accordance with these procedures will be deemed to have waived the right to participate. Unless a Participant files a new enrollment form or withdraws from the Plan, such Participant' s deductions and purchases will continue at the same percentage of Compensation for future Offerings, provided he or she remains eligible.

(c) Notwithstanding the foregoing, participation in the Plan will neither be permitted nor be denied contrary to the requirements of the Code.

5. Employee Contributions. Each eligible employee may authorize payroll deductions at a minimum of 1 percent up to a maximum of 10 percent of such employee' s Compensation for each pay period. The Company will maintain book accounts showing the amount of payroll deductions made by each Participant for each Offering. No interest will accrue or be paid on payroll deductions.

6. Deduction Changes. Except as may be determined by the Administrator in advance of an Offering, a Participant may not increase or decrease his or her payroll deduction during any Offering, but may increase or decrease his or her payroll deduction with respect to the next Offering (subject to the limitations of Section 5) by filing a new enrollment form at least 15 business days before the next Offering Date (or by such other deadline as shall be established by the Administrator for the Offering). The Administrator may, in advance of any Offering, establish rules permitting a Participant to increase, decrease or terminate his or her payroll deduction during an Offering.

7. Withdrawal. A Participant may withdraw from participation in the Plan by delivering a written notice of withdrawal to his or her appropriate payroll location. The Participant' s withdrawal will be effective as of the next business day. Following a Participant' s withdrawal, the Company will promptly refund such individual' s entire account balance under the Plan to him or her (after payment for any Common Stock purchased before the effective date of withdrawal). Partial withdrawals are not permitted. Such an employee may not begin participation again during the remainder of the Offering, but may enroll in a subsequent Offering in accordance with Section 4.

8. Grant of Options. On each Offering Date, the Company will grant to each eligible employee who is then a Participant in the Plan an option ("Option") to purchase on the last day of such Offering (the "Exercise Date"), at the Option Price hereinafter provided for, the lowest of (a) a number of shares of Common Stock determined by dividing such Participant' s accumulated

payroll deductions on such Exercise Date by the lower of (i) 85 percent of the Fair Market Value of the Common Stock on the Offering Date, or (ii) 85 percent of the Fair Market Value of the Common Stock on the Exercise Date, (b) 1,500 shares; or (c) such other lesser maximum number of shares as shall have been established by the Administrator in advance of the Offering; provided, however, that such Option shall be subject to the limitations set forth below. Each Participant' s Option shall be exercisable only to the extent of such Participant' s accumulated payroll deductions on the Exercise Date. The purchase price for each share purchased under each Option (the "Option Price") will be 85 percent of the Fair Market Value of the Common Stock on the Offering Date or the Exercise Date, whichever is less.

Notwithstanding the foregoing, no Participant may be granted an option hereunder if such Participant, immediately after the option was granted, would be treated as owning stock possessing 5 percent or more of the total combined voting power or value of all classes of stock of the Company or any Parent or Subsidiary (as defined in Section 11). For purposes of the preceding sentence, the attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of a Participant, and all stock which the Participant has a contractual right to purchase shall be treated as stock owned by the Participant. In addition, no Participant may be granted an Option which permits his or her rights to purchase stock under the Plan, and any other employee stock purchase plan of the Company and its Parents and Subsidiaries, to accrue at a rate which exceeds $25,000 of the fair market value of such stock (determined on the option grant date or dates) for each calendar year in which the Option is outstanding at any time. The purpose of the limitation in the preceding sentence is to comply with Section 423(b)(8) of the Code and shall be applied taking Options into account in the order in which they were granted.

9. Exercise of Option and Purchase of Shares. Each employee who continues to be a Participant in the Plan on the Exercise Date shall be deemed to have exercised his or her Option on such date and shall acquire from the Company such number of whole shares of Common Stock reserved for the purpose of the Plan as his or her accumulated payroll deductions on such date will purchase at the Option Price, subject to any other limitations contained in the Plan. Any amount remaining in a Participant' s account at the end of an Offering solely by reason of the inability to purchase a fractional share will be carried forward to the next Offering; any other balance remaining in a Participant' s account at the end of an Offering will be refunded to the Participant promptly.

10. Issuance of Certificates. Certificates or book entries representing shares of Common Stock purchased under the Plan may be issued only in the name of the employee, in the name of the employee and another person of legal age as joint tenants with rights of survivorship, or in the name of a broker authorized by the employee to be his, her or their, nominee for such purpose.

11. Definitions.

The term "Compensation" means the amount of total cash compensation, prior to salary reduction pursuant to Sections 125, 132(f) or 401(k) of the Code, including base pay, overtime, commissions, and incentive or bonus awards, but excluding allowances and reimbursements for expenses such as relocation allowances or travel expenses, income or gains on the exercise of Company stock options, and similar items.

The term "Designated Subsidiary" means any present or future Subsidiary (as defined below) that has been designated by the Board to participate in the Plan. The Board may so designate any Subsidiary, or revoke any such designation, at any time and from time to time, either before or after the Plan is approved by the stockholders. The current list of Designated Subsidiaries is attached hereto as Appendix A.

The term "Fair Market Value of the Common Stock" on any given date means the fair market value of the Common Stock determined in good faith by the Administrator; provided, however, that if the Common Stock is admitted to quotation on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), NASDAQ Global Market or another national securities exchange, the determination shall be made by reference to the closing price on such date. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price.

The term "Parent" means a "parent corporation" with respect to the Company, as defined in Section 424(e) of the Code.

The term "Participant" means an individual who is eligible as determined in Section 3 and who has complied with the provisions of Section 4.

The term "Subsidiary" means a "subsidiary corporation" with respect to the Company, as defined in Section 424(f) of the Code.

12. Rights on Termination of Employment. If a Participant' s employment terminates for any reason before the Exercise Date for any Offering, no payroll deduction will be taken from any pay due and owing to the Participant and the balance in the Participant' s account will be paid to such Participant or, in the case of such Participant' s death, to his or her designated beneficiary as if such Participant had withdrawn from the Plan under Section 7. An employee will be deemed to have terminated employment, for this purpose, if the corporation that employs him or her, having been a Designated Subsidiary, ceases to be a Subsidiary, or if the employee is transferred to any corporation other than the Company or a Designated Subsidiary. An employee

will not be deemed to have terminated employment for this purpose, if the employee is on an approved leave of absence for military service or sickness or for any other purpose approved by the Company, if the employee' s right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise provides in writing.

13. Special Rules. Notwithstanding anything herein to the contrary, the Administrator may adopt special rules applicable to the employees of a particular Designated Subsidiary, whenever the Administrator determines that such rules are necessary or appropriate for the implementation of the Plan in a jurisdiction where such Designated Subsidiary has employees; provided that such rules are consistent with the requirements of Section 423(b) of the Code. Any special rules established pursuant to this Section 13 shall, to the extent possible, result in the employees subject to such rules having substantially the same rights as other Participants in the Plan.

14. Optionees Not Stockholders. Neither the granting of an Option to a Participant nor the deductions from his or her pay shall constitute such Participant a holder of the shares of Common Stock covered by an Option under the Plan until such shares have been purchased by and issued to him or her.

15. Rights Not Transferable. Rights under the Plan are not transferable by a Participant other than by will or the laws of descent and distribution, and are exercisable during the Participant' s lifetime only by the Participant.

16. Application of Funds. All funds received or held by the Company under the Plan may be combined with other corporate funds and may be used for any corporate purpose.

17. Adjustment in Case of Changes Affecting Common Stock. In the event of a subdivision of outstanding shares of Common Stock, the payment of a dividend in Common Stock or any other change affecting the Common Stock, the number of shares approved for the Plan and the share limitation set forth in Section 8 shall be equitably or proportionately adjusted to give proper effect to such event.

18. Amendment of the Plan. The Board may at any time and from time to time amend the Plan in any respect, except that without the approval within 12 months of such Board action by the stockholders, no amendment shall be made increasing the number of shares approved for the Plan or making any other change that would require stockholder approval in order for the Plan, as amended, to qualify as an "employee stock purchase plan" under Section 423(b) of the Code.

19. Insufficient Shares. If the total number of shares of Common Stock that would otherwise be purchased on any Exercise Date plus the number of shares purchased under previous Offerings under the Plan exceeds the maximum number of shares issuable under the Plan, the shares then available shall be apportioned among Participants in proportion to the amount of payroll deductions accumulated on behalf of each Participant that would otherwise be used to purchase Common Stock on such Exercise Date.

20. Termination of the Plan. The Plan may be terminated at any time by the Board. Upon termination of the Plan, all amounts in the accounts of Participants shall be promptly refunded.

21. Governmental Regulations. The Company' s obligation to sell and deliver Common Stock under the Plan is subject to obtaining all governmental approvals required in connection with the authorization, issuance, or sale of such stock.

22. Governing Law. This Plan and all Options and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware, applied without regard to conflict of law principles.

23. Issuance of Shares. Shares may be issued upon exercise of an Option from authorized but unissued Common Stock, from shares held in the treasury of the Company, or from any other proper source.

24. Tax Withholding. Participation in the Plan is subject to any minimum required tax withholding on income of the Participant in connection with the Plan. Each Participant agrees, by entering the Plan, that the Company and its Subsidiaries shall have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant, including shares issuable under the Plan.

25. Notification Upon Sale of Shares. Each Participant agrees, by entering the Plan, to give the Company prompt notice of any disposition of shares purchased under the Plan where such disposition occurs within two years after the date of grant of the Option pursuant to which such shares were purchased.

26. Effective Date and Approval of Shareholders. The Plan shall take effect on the date of the Company' s Initial Public Offering, subject to prior approval by the holders of a majority of the votes cast at a meeting of stockholders at which a quorum is present or by written consent of the stockholders.

## APPENDIX A

### DESIGNATED SUBSIDIARIES

11

**Exhibit 10.11**

**HORTONWORKS, INC.**
**SENIOR EXECUTIVE CASH INCENTIVE BONUS PLAN**

1. Purpose

This Senior Executive Cash Incentive Bonus Plan (the "***Incentive Plan***") is intended to provide an incentive for superior work and to motivate eligible executives of Hortonworks, Inc. (the "***Company***") and its subsidiaries toward even higher achievement and business results, to tie their goals and interests to those of the Company and its stockholders and to enable the Company to attract and retain highly qualified executives. The Incentive Plan is for the benefit of Covered Executives (as defined below).

2. Covered Executives

From time to time, the Compensation Committee of the Board of Directors of the Company (the "***Compensation Committee***") may select certain key executives (the "***Covered Executives***") to be eligible to receive bonuses hereunder. Participation in this Plan does not change the "at will" nature of a Covered Executive' s employment with the Company.

3. Administration

The Compensation Committee shall have the sole discretion and authority to administer and interpret the Incentive Plan.

4. Bonus Determinations

(a) Corporate Performance Goals. A Covered Executive may receive a bonus payment under the Incentive Plan based upon the attainment of one or more performance objectives that are established by the Compensation Committee and relate to financial and operational metrics with respect to the Company or any of its subsidiaries (the "***Corporate Performance Goals***"), including the following: cash flow (including, but not limited to, operating cash flow and free cash flow); revenue; corporate revenue; earnings before interest, taxes, depreciation and amortization; net income (loss) (either before or after interest, taxes, depreciation and/or amortization); changes in the market price of the Company' s common stock; economic value-added; acquisitions or strategic transactions; operating income (loss); return on capital, assets, equity, or investment; stockholder returns; return on sales; gross or net profit levels; productivity; expense efficiency; margins; operating efficiency; customer satisfaction; working capital; earnings (loss) per share of the Company' s common stock; bookings, new bookings or renewals; sales or market shares; number of customers, number of new customers or customer references; operating income and/or net annual recurring revenue, any of which may be (A) measured in absolute terms or compared to any incremental increase, (B) measured in terms of growth, (C) compared to another company or companies or to results of a peer group, (D) measured against the market as a whole and/or as compared to applicable market indices and/or (E) measured on a pre-tax or post-tax basis (if applicable). Further, any Corporate Performance Goals may be used to measure the performance of the Company as a whole or a business unit or other segment of the Company, or one or more product lines or specific markets. The Corporate Performance Goals may differ from Covered Executive to Covered Executive.

(b) Calculation of Corporate Performance Goals. At the beginning of each applicable performance period, the Compensation Committee will determine whether any significant element(s) will be included in or excluded from the calculation of any Corporate Performance Goal with respect to any Covered Executive. In all other respects, Corporate Performance Goals will be calculated in accordance with the Company' s financial statements, generally accepted accounting principles, or under a methodology established by the Compensation Committee at the beginning of the performance period and which is consistently applied with respect to a Corporate Performance Goal in the relevant performance period.

(c) Target; Minimum; Maximum. Each Corporate Performance Goal shall have a "target" (100 percent attainment of the Corporate Performance Goal) and may also have a "minimum" hurdle and/or a "maximum" amount.

(d) Bonus Requirements; Individual Goals. Except as otherwise set forth in this Section 4(d): (i) any bonuses paid to Covered Executives under the Incentive Plan shall be based upon objectively determinable bonus formulas that tie such bonuses to one or more performance targets relating to the Corporate Performance Goals, (ii) bonus formulas for Covered Executives shall be adopted in each performance period by the Compensation Committee and communicated to each Covered Executive at the beginning of each performance period and (iii) no bonuses shall be paid to Covered Executives unless and until the Compensation Committee makes a determination with respect to the attainment of the performance targets relating to the Corporate Performance Goals. Notwithstanding the foregoing, the Compensation Committee may adjust bonuses payable under the Incentive Plan based on achievement of one or more individual performance objectives or pay bonuses (including, without limitation, discretionary bonuses) to Covered Executives under the Incentive Plan based on individual performance goals and/or upon such other terms and conditions as the Compensation Committee may in its discretion determine.

(e) Individual Target Bonuses. The Compensation Committee shall establish a target bonus opportunity for each Covered Executive for each performance period. For each Covered Executive, the Compensation Committee shall have the authority to apportion the target award so that a portion of the target award shall be tied to attainment of Corporate Performance Goals and a portion of the target award shall be tied to attainment of individual performance objectives.

(f) Employment Requirement. Subject to any additional terms contained in a written agreement between the Covered Executive and the Company, the payment of a bonus to a Covered Executive with respect to a performance period shall be conditioned upon the Covered Executive' s employment by the Company on the bonus payment date. If a Covered Executive was not employed for an entire performance period, the Compensation Committee may pro rate the bonus based on the number of days employed during such period.

5. Timing of Payment

(a) With respect to Corporate Performance Goals established and measured on a basis more frequently than annually (e.g., quarterly or semi-annually), the Corporate Performance

Goals will be measured at the end of each performance period after the Company' s financial reports with respect to such period(s) have been published. If the Corporate Performance Goals and/or individual goals for such period are met, payments will be made as soon as practicable following the end of such period, but not later 74 days after the end of the fiscal year in which such performance period ends.

(b) With respect to Corporate Performance Goals established and measured on an annual or multi-year basis, Corporate Performance Goals will be measured as of the end of each such performance period (e.g., the end of each fiscal year) after the Company' s financial reports with respect to such period(s) have been published. If the Corporate Performance Goals and/ or individual goals for any such period are met, bonus payments will be made as soon as practicable, but not later than 74 days after the end of the relevant fiscal year.

(c) For the avoidance of doubt, bonuses earned at any time in a fiscal year must be paid no later than 74 days after the last day of such fiscal year.

6. Amendment and Termination

The Company reserves the right to amend or terminate the Incentive Plan at any time in its sole discretion.

**Exhibit 10.12**

**Hortonworks, Inc.**

**Non-Employee Director Compensation Policy**

The purpose of this Non-Employee Director Compensation Policy (the "Policy") of Hortonworks, Inc., a Delaware corporation (the "Company"), is to provide a total compensation package that enables the Company to attract and retain, on a long-term basis, high-caliber directors who are not employees or officers of the Company or its subsidiaries ("Outside Directors"). In furtherance of the purpose stated above, all Outside Directors shall be paid compensation for services provided to the Company as set forth below:

## I. Cash Retainers

(a) Annual Retainer for Board Membership: $30,000 for general availability and participation in meetings and conference calls of our Board of Directors.

(b) Additional Retainers for Committee Membership:

| | |
|---|---|
| Audit Committee Chairperson: | $15,000 |
| Audit Committee member: | $7,500 |
| Compensation Committee Chairperson: | $10,000 |
| Compensation Committee member: | $5,000 |
| Nominating and Corporate Governance Committee Chairperson: | $10,000 |
| Nominating and Corporate Governance Committee member: | $5,000 |

## II. Equity Retainers

All grants of equity retainer awards to Outside Directors pursuant to this Policy will be automatic and nondiscretionary and will be made in accordance with the following provisions:

(a) Revisions. The Compensation Committee in its discretion may change and otherwise revise the terms of awards to be granted under this Policy, including, without limitation, the number of shares subject thereto, for awards of the same or different type granted on or after the date the Compensation Committee determines to make any such change or revision.

(b) Annual Equity Grant. Each Outside Director shall receive an annual equity grant of restricted stock units under the Company' s 2014 Stock Option and Incentive Plan (the "2014 Plan") having a Fair Market Value (as defined in the 2014 Plan) of $150,000 as of the date of grant. The restricted stock units shall vest in full on the anniversary of the date of grant, subject to such director' s continued service as a director through the vesting date. The restricted stock units shall vest in full upon the closing of a Sale Event (as defined in the 2014 Plan). The initial annual equity grant shall occur upon the consummation of the Company' s initial public offering.

All subsequent annual equity grants shall be made to Outside Directors that are elected/re-elected at the Company' s annual meeting of stockholders on the date of such annual meeting of stockholders. All equity grants under this Policy will be made automatically in accordance with the terms of this Policy and the 2014 Plan, without the need for any additional corporate action by the Board or the Compensation Committee of the Board.

III. **Expenses**

The Company will reimburse all reasonable out-of-pocket expenses incurred by Outside Directors in attending meetings of the Board or any Committee thereof.

Date Policy Approved:

**Exhibit 10.13**

CONFIDENTIAL TREATMENT HAS BEEN REQUESTED FOR PORTIONS OF THIS DOCUMENT. [**] - INDICATES INFORMATION THAT HAS BEEN OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED. ALL SUCH OMITTED INFORMATION HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

# HORTONWORKS/MICROSOFT
# HDP FOR MICROSOFT PLATFORMS AGREEMENT

This HDP for Microsoft Platforms Agreement ("**Agreement**") is entered into between Hortonworks, Inc., a Delaware corporation with offices located at 455 W. Maude Avenue, Suite 200, Sunnyvale, California 94085 ("**Hortonworks**") and Microsoft Corporation, a Washington corporation with offices at One Microsoft Way, Redmond, WA 98052 ("**Microsoft**") as of July 3, 2012 ("**Effective Date**").

## Background

Apache Hadoop is an open-source Apache Software Foundation ("**ASF**") project that provides a framework for the distributed processing of large data sets across clusters of computers. Hortonworks is a leading contributor to the Apache Hadoop project. To make it easier to integrate Apache Hadoop with existing data architectures, Hortonworks assembled HDP (as defined below).

The parties desire to work together to create a version of HDP that runs on Microsoft' s Windows Server and Windows Azure platforms, all1 pursuant to the terms and conditions set forth in this Agreement.

This background is included to aid comprehension and is not intended to, and shall not, create any legally binding obligation upon either party.

For good and valuable consideration, the adequacy of which the parties hereby acknowledge, the parties agree as follows:

## Agreement

**1.** **PRIOR AGREEMENT**. The parties agree that this Agreement supersedes in its entirety the Consulting and Marketing Agreement entered into between Hortonworks and Microsoft with an effective date of October 6, 2011 (the "**Prior Agreement**") and that, as a result, the Prior Agreement is terminated as of the Effective Date and no additional payments other than for services performed prior to the termination of the Prior Agreement, other than US $250,000 for services performed from April 1, 2012 through June 30, 2012 if such payment has not been made prior to the Effective Date.

**2.** **DEFINITIONS**. The parties agree that the following capitalized terms will have the following meanings where used in this Agreement. Terms defined elsewhere in this Agreement will have the assigned meaning where used in this Agreement.

**2.1** "**Affiliate**" means a legal entity that Controls, is Controlled by or is under common Control with a party, where "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and operating policies of the entity in respect of which the determination is being made, through the ownership of more than fifty percent (50%) of its voting or equity securities, contract, voting trust or otherwise; the term "**Controlled**" shall be interpreted accordingly.

**2.2** "**Courseware**" means the training materials made available by Hortonworks to students in Hortonworks training classes, including all updates to such training materials that are made during the Term of this Agreement.

**2.3** "**Development Plan**" means a mutually agreed, written plan and schedule that, for a given version of HDP for Windows Server and/or HDP for Windows Azure, (a) identifies the features and functionality to be included in such version, (b) outlines each party' s obligations (including deliverables and milestones) for the development of such version, and (c) complies with Exhibit C.

**2.4** "**Excluded License**" means any software license requiring, as a condition of use, modification and/or distribution that the software or other software combined and/or distributed with it be (a) disclosed or distributed in source code form; (b) licensed for the purpose of making derivative works; or (c) redistributable at no charge.

**2.5** "**General Schedule**" means the schedule set forth in Exhibit B for completing the tasks outlined in Exhibit B.

**2.6** "**HDP**" means a software package that (a) is known as of the Effective Date as Hortonworks Data Platform, Powered by Apache Hadoop, (b) includes (and only includes) a combination of Apache Hadoop and other open source software commonly used with Apache Hadoop and licensed under the Apache 2.0 license (i.e., as hosted on the ASF website as of the Effective Date), (c) is licensed under the Apache 2.0 license, and (d) runs on the Linux operating system.

**2.7** "**HDP for Microsoft Platforms**" means HDP for Windows Server and HDP for Windows Azure.

**2.8** "**HDP for Windows Server**" means a version of HDP that (a) includes (and only includes) (i) Apache Hadoop and other open source software commonly used with Hadoop and licensed under the Apache 2.0 license together with (ii) software designed to enable the software described in the preceding subsection (i) to install and/or run on Windows Server, (b) is licensed under the Apache 2.0 license (or its successor, where mutually agreed) and (c) runs on Windows Server.

**2.9** "**HDP for Windows Azure**" means a version of HDP that (a) includes (and only includes) (i) Apache Hadoop and other open source software commonly used with Hadoop and licensed under the Apache 2.0 license together with (ii) software designed to enable the software described in the preceding subsection (i) to install and/or run on Windows Azure, (b) is licensed under the Apache 2.0 license (or its successor, where mutually agreed) and (c) runs on Windows Azure.

**2.10** "**Hortonworks' s Marks**" mean those trademarks, service marks, logos or other slogans of Hortonworks identified in Exhibit E.

**2.11** "**Initial Development Plan**" means a Development Plan for the first release of HDP for Windows Server and HDP for Windows Azure to be made generally available to the public.

**2.12** "**Intellectual Property**" or "**IP**" means all intellectual property rights throughout the world, whether existing under statute or at common law or equity, now or hereafter in force or recognized, including copyrights, trade secrets, trademarks and servicemarks, patents, inventions, designs, logos and trade dress, "moral rights," mask works, publicity rights, and privacy rights; and any application or right to apply for any of the foregoing rights, and all renewals, extensions and restorations.

**2.13** "**Major Release**" means a new version of a software offering made generally available to the public where the version number of such software offering reflects an increase from the previous version number in the digit to the left of the first decimal point (for example from 1.xx to 2.xx).

**2.14** "**Microsoft' s Marks**" mean those trademarks, service marks, logos or other slogans of Microsoft identified in Exhibit E.

**2.15** "**QFE**" means code that fixes an Error in a product and is also known as a hotfix or patch.

**2.16** "**Windows Server**" means the Microsoft server operating system offering known as Windows Server.

**2.17** "**Windows Azure**" means Microsoft cloud platform offering known as Windows Azure.

**2.18** "**Term**" has the meaning set forth in Section 16.1.

**2.19** "**Tier 1 Support**", "**Tier 2 Support**" and "**Tier 3 Support**" will have the meaning set forth in Exhibit D.

## 3. GOVERNANCE & RESOURCING

**3.1** **Relationship Management**. The parties agree to use the governance process described in Section 1 of Exhibit A for managing their relationship under this Agreement and the Formal Escalation process described in Section 2 of Exhibit A for escalation of issues that may arise during the implementation of this Agreement.

**3.2** **Staffing Plan**. On or before July 20, 2012, Hortonworks will provide to Microsoft a mutually agreeable plan for qualifying, hiring and assigning Hortonworks personnel to perform Hortonworks' s obligations under this Agreement ("**Staffing Plan**"). The Staffing Plan will identify at least five (5) named developers (including a description of their qualifications) to perform Hortonworks' s responsibilities under Section 4 below and describe a comprehensive plan to qualify, staff and hire the minimum fifteen (15) technical resources referenced in Section 4 below, plus a minimum fifteen (15) additional resources to perform all of Hortonworks' s other obligations under this Agreement, by the first anniversary of the Effective Date.

## 4. HDP FOR MICROSOFT PLATFORM/DEVELOPMENT

**4.1** **Initial Development Plan**. Each party agrees to develop with the other party and mutually agree upon the Initial Development Plan by the deadline specified in the General Schedule, and to fulfill the tasks assigned to that party in the Initial Development Plan, by the dates specified in the Initial Development Plan. Following its initial completion, changes may be made to the Initial Development Plan during the Term by written agreement of the parties.

**4.2** **Subsequent Development Plans**. Each party agrees to develop with the other party and mutually agree upon a Development Plan for each Major Release of HDP for Microsoft Platforms to be created during the Term and any other versions on which the parties mutually agree. Each such Development Plan will be completed and agreed upon on a timely basis consistent with the parties' agreement to use commercially reasonable efforts to have, at a minimum (unless the parties otherwise agree), a new release of HDP for Windows Server and HDP for Windows Azure generally available at the same time as, or earlier than, new releases of HDP running on the Linux operating system become generally available. Each party agrees to use commercially reasonable efforts to fulfill the tasks assigned to that party in each such Development Plan, by the dates specified in the Development Plan. Following completion of each such Development Plan, changes may be made to the Development Plan during the Term by written agreement of the parties.

**4.3** **Submission and Commitment of HDP for Microsoft Platforms to ASF**. Unless the parties otherwise agree, all code included in any generally available release of HDP for Windows Azure or HDP for Windows Server will be either (a) committed to the relevant ASF project by a "Committer" (as defined on the ASF website) or (b) incorporated into the approved codebase of the relevant ASF project and hosted by the ASF, or (c) incorporated into a mutually agreed package or component and licensed under the Apache 2.0 license.

**4.4 Feature/Functionality Baseline**. The parties agree that each version of HDP for Microsoft Platforms, when made generally available to the public, will have at a minimum the same features and functionality as the then-most current version of HDP running on the Linux operating system, in addition to such other features and functionality as are identified in the Development Plan for such version.

**4.5 Dedicated Developers**.

**(a) General**. Each party agrees to dedicate, on a full-time basis, at least fifteen (15) technical resources to implement that party' s obligations under the Development Plans and otherwise maintain HDP for HDP for Microsoft Platforms pursuant to the terms of this Agreement (the "**Dedicated Development Staff**' ). Both parties agree that the Dedicated Development Staff will be comprised of the following ratio of skillsets (with the following numbers application to a Dedicated Development Staff of 20): ten (10) developers; seven (7) testers/OA three (3) program managers (or such other number on which the parties agree in writing) to implement that party' s obligations under the Development Plans and otherwise maintain HDP for Microsoft Platforms pursuant to the terms of this Agreement. Each party will work in good faith to identify its Dedicated Development Staff to the other party as soon as reasonably possible but no later than ninety (90) days after the Effective Date. From time to time during the Term, either party may make substitutions in its Dedicated Development Staff, but each party will seek to minimize changes in its group of Dedicated Development Staff.

**(b) Co-Location at Hortonworks Premises**. Microsoft and Hortonworks agree that, during the Term, Hortonworks will host up to fifteen (15) (with the precise number up to 15 to be determined by Microsoft throughout the Term) of the Microsoft Dedicated Development Staff on Hortonworks' s premises so that the parties are able to work more closely in implementing the Development Plans and otherwise implementing this Agreement. Hortonworks agrees to provide the Microsoft Dedicated Development Staff with such access to its premises as is reasonably necessary to enable this co-location, and will provide the Microsoft Dedicated Development Staff with reasonable office space, internet connectivity, and telephone access. If, as a part of Hortonworks standard policies and procedures regarding non-employees working onsite, Hortonworks requires the Microsoft Dedicated Development Staff to execute any standard access agreement prior to gaining access to Hortonworks' s premises ("**Standard Hortonworks Access Agreement**"), Hortonworks will provide Microsoft with a copy of such Standard Hortonworks Access Agreement in advance of any on-site visit. If there is any conflict between any Standard Hortonworks Access Agreement and this Agreement, the terms and conditions of this Agreement will control.

**(c) Code Access**. Both Parties will have access to a shared development environment, with a shadow copy of that environment, that will include all work-in-progress associated with this Agreement during the Term and for a period of thirty (30) days after the Term.

**4.6 Installation of HDP for Windows Server with Other Microsoft Products**. If requested by Microsoft, the parties will work together to create and enable a seamless way for Microsoft products to locate and install HDP for Windows Server from a mutually agreed upon distribution location.

**4.7 Microsoft Hadoop Test Lab**. Microsoft will establish a test lab on Microsoft premises in Redmond, Washington for testing HDP for Microsoft Platforms and the integration of HDP for Microsoft Platforms with other Microsoft products. If the parties agree to have Hortonworks developers assist at any time during the Term in such test lab, then, subject to Microsoft' s policies, Microsoft agrees to provide such Hortonworks Dedicated Development Staff with such access to its premises as is reasonably necessary to enable Hortonworks to provide this assistance and will provide the

Hortonworks developers with reasonable office space, internet connectivity, and telephone access. If, as a part of Microsoft' s standard policies and procedures regarding non-employees working onsite, Microsoft requires the Hortonworks developers to execute any standard access agreement prior to gaining access to the test lab ("Standard Microsoft Access Agreement"), Microsoft will provide Hortonworks with a copy of such Standard Microsoft Access Agreement in advance of any on-site visit. If there is any conflict between any Standard Microsoft Access Agreement and this Agreement, the terms and conditions of this Agreement will control.

**5. APACHE HADOOP COMMITTER STATUS**. Hortonworks agrees to provide guidance and assistance to Microsoft to enable Microsoft developers, including Microsoft Dedicated Development Staff, to become effective "Contributors" for ASF projects that are integral to HDP for Microsoft Platforms with the goal of attaining "Committer" status (as those terms are defined on the ASF website). In connection with the foregoing, Hortonworks and Microsoft will work together to jointly develop a written plan (the "**ASF Committer Plan**") by the deadline specified in the General Schedule. The ASF Committer Plan will identify the activities designed to help Microsoft developers to become effective Contributors with the goal of attaining Committer status, including the following: mentoring on the ASF processes and how to be an effective Contributor; stewardship of mutually agreed to code submissions; monitoring of the code submission approval process, and when appropriate assistance in expediting the approval process. Each of Hortonworks and Microsoft agrees to undertake the activities attributed to them, respectively, in the mutually agreed upon ASF Committer Plan by the dates specified in such ASF Committer Plan. The ASF Committer Plan will also include certain development activities relevant to the Development Plans for HDP for Microsoft Platforms.

**6. DISTRIBUTION, SUPPORT & SERVICING**

**6.1 Distribution**. The parties acknowledge and agree that each will have a right to distribute HDP for Microsoft Platforms, including patches, QFEs and other updates that occur between releases. Further, the parties may mutually agree on a distribution location(s) for HDP for Windows Server, where HDP for Windows Server will be hosted by Microsoft, Hortonworks or a third party. Microsoft and Hortonworks agree, prior to distributing any version of HDP for Microsoft Platforms, to mutually agree on and implement source code scanning procedures for identifying (a) third party content and compliance with applicable third party licenses, and (b) appropriate remediation steps in the event any non-compliance with third party licenses is identified.

**6.2 Tier 1 Support**. As between Microsoft and Hortonworks, Microsoft will be responsible to customers for all Tier 1 Support for the HDP for Microsoft Platforms. Microsoft may in its sole discretion determine how to structure its support relationship with its customers.

**6.3 Tier 2 and Tier 3 Support**. Hortonworks will provide Tier 2 and Tier 3 Support to Microsoft for the HDP for Microsoft Platforms, and will train Microsoft on Tier 2 support such that, once Microsoft is adequately trained, Hortonworks will migrate to providing Tier 3 Support only. The transition of Tier 2 Support from Hortonworks to Microsoft will take place after the parties determine that Hortonworks has provided sufficient training to Microsoft to enable Microsoft to assume this role with a reasonably similar degree of competency as Hortonworks, but no later than twelve months after general availability of HDP on Windows Server.

**6.4** **Support and Servicing Plan**. In connection with the parties' support obligations under this Section 6, each party agrees to develop with the other party and mutually agree upon a written plan outlining each party' s support and servicing obligations and service level commitments with respect to the support of HDP for Microsoft Platforms (the "**Support and Servicing Plan**"). The Support and Servicing Plan will be developed by the date specified in the General Schedule, and may be modified during the Term by mutual written agreement of the parties. Each party agrees to undertake the activities attributed to that party in the Support and Servicing Plan. The Support and Servicing Plan will include, among other things, the following:

**(a)** the Support and Servicing Plan will require Hortonworks to provide, and Hortonworks agrees to provide, 7 x 24 hour support to Microsoft for HDP for Microsoft Platforms and to comply with the support services levels set forth in Exhibit D;

**(b)** the Support and Servicing Plan will include a training plan to effectuate the transition of Tier 2 Support from Hortonworks to Microsoft contemplated by Section 6.3 above, including access to Hortonworks production and developer support by up to ten (10) Microsoft support personnel;

**(c)** the Support and Servicing Plan will describe how (i) Hortonworks will provide Tier 2 Support (until it is transitioned to Microsoft) and Tier 3 Support to Microsoft for each HDP for Microsoft Platforms release, in a manner that allows Microsoft to satisfy its standard support commitment for Microsoft product offerings (currently five (5) years of standard and five (5) years of extended customer support), and (ii) support incidents will be tracked and handed off to the appropriate support personnel; and

**(d)** the Support and Servicing Plan will address how the parties will coordinate and cooperate on developing patches, QFEs, and similar updates that occur between releases, and will include the processes for creating the update, distributing the update to customers, and contributing the code updates to the relevant ASF projects.

## 7. TRAINING

**7.1** **Training**. Hortonworks will deliver, at mutually agreed upon times and at no cost to Microsoft, ten (10) training classes on Microsoft premises that include training on developing with Apache Hadoop and on Apache Hadoop administration. Each such training session will be for up to thirty (30) students to be selected by Microsoft.

**7.2** **Rights to use Courseware**. Subject to the terms as set forth in Section 11(b), Hortonworks grants to Microsoft the rights to reproduce Courseware during the Term solely for internal use by Microsoft and solely for training conducted at Microsoft facilities for Microsoft employees and contractors. Microsoft is liable for all acts and omissions of its employees and contractors related to the Courseware. Microsoft may modify the Courseware for its internal purposes. Upon termination of the Agreement, Microsoft agrees to cease reproducing the Courseware including reproducing any Microsoft materials that may have included modifications to the Courseware. During the Term Microsoft agrees not to sell, market or deliver Microsoft-branded training materials that compete with the Courseware.

**7.3** **Microsoft Learning**. The parties will discuss incorporating Hortonworks' s training content into Microsoft' s training and certification programs, i.e., Microsoft Learning.

**7.4** **Use of Windows Azure for Evaluation of HDP for Microsoft Platforms**. The parties agree to use Windows Azure as the primary platform for giving prospective customers an opportunity to evaluate HDP for Microsoft Platforms, pursuant to mutually agreed terms.

## 8. MARKETING

**MARKETING**. Microsoft and Hortonworks will develop a joint, written go-to-market plan ("GTM Plan") for the first generally available release of HDP for Windows Server and HDP for Windows Azure and thereafter will create a new GTM Plan for each Microsoft fiscal year. Each party agrees to undertake the activities attributed to that party in each GTM Plan. The first GTM Plan will be developed and agreed upon by the date set forth in the General Schedule. Each GTM Plan will include, at a minimum, the following elements (unless otherwise agreed by the parties in writing):

**(a)** System integrator and ISV engagement including boutique system integrators, with product disclosure process/ guidelines;

**(b)** Technical and sales training and readiness (both internal and external), including an agreed-upon amount of training on Microsoft premises;

**(c)** Sandbox/Customer Evaluation Mechanism with particular focus on Windows Azure;

**(d)** Early customer engagements and demand/lead generation;

**(e)** Customer references and case studies;

**(f)** Analyst relations and public relations (AR/PR);

**(g)** Microsoft and industry events;

**(h)** Digital marketing and communities; and

**(i)** Annual sponsorship to Hortonworks- and Microsoft-sponsored user conferences (in the case of Microsoft, SQL PASS) at an equivalent sponsorship level.

**9. PUBLICITY**. At a mutually agreed time, the parties will each issue a mutually agreed upon press release and/or blog statements, that will include an endorsement of HDP for Microsoft Platforms. Except for such press release and/or blog statements, neither party will make any public announcement or public statement regarding this Agreement or the parties' activities under this Agreement without the prior written consent of the other party.

**10. INTELLECTUAL PROPERTY**

**10.1 License**. Each party hereby agrees that all code developed during the Term by that party for incorporation in HDP for Microsoft Platforms, including all work-in-progress, is hereby licensed to the other party under the Apache 2.0 license.

**10.2 No Transfer of Ownership**. Nothing in this Agreement will transfer ownership in any Intellectual Property from one party to the other.

**10.3 Feedback**. If either party, at any time during the Term, provides the other party with comments, suggestions or other feedback regarding the other party' s Confidential Information, products or services ("**Feedback**"), such party will be deemed to have granted the other party a non-exclusive, royalty-free, fully paid up, perpetual, irrevocable, worldwide license under such party' s Intellectual Property in the Feedback to use, disclose, modify, reproduce, license, distribute, commercialize and otherwise freely exploit without restriction of any kind all such Feedback as the other party sees fit. Feedback will not create any confidentiality obligation unless the parties specifically agree otherwise in writing after the Effective Date of this Agreement. The other party is under no obligation to implement any Feedback it may receive from such party.

**10.4 Trademark License Rights/Use of Marks.**

**(a)** **License to Microsoft Marks**. Subject to Sections 10.4(c)-(f) below, Microsoft hereby grants Hortonworks the non-exclusive, royalty free, personal, revocable, non-transferable right to use the Microsoft Marks during the Term, throughout the world, in agreed promotional and marketing materials relating to HDP for Microsoft Platforms, provided such uses are in accordance with Exhibit F. All uses of Microsoft' s Marks in proximity to the trade name, trademark, service name or service mark of any other person shall be consistent with the standards furnished by Microsoft from time to time.

**(b)** **License to Hortonworks Marks**. Subject to Section 10.4(c)-(f) below, Hortonworks hereby grants Microsoft the non-exclusive, royalty free, personal, revocable, non-transferable right

to use the Hortonworks Marks during the Term, throughout the world, in agreed promotional and marketing materials relating to HDP for Microsoft Platforms, provided such uses are in accordance with Exhibit G. All uses of Hortonworks' s Marks in proximity to the trade name, trademark, service name or service mark of any other person shall be consistent with the standards furnished by Hortonworks from time to time.

**(c)** **Other Marks of the Parties**. Except as set forth in Section 10.4(a) above with respect to Hortonworks' s use of Microsoft' s Marks and in Section 10.4(b) above with respect to Microsoft' s use of Hortonworks' s Marks, neither party nor its Affiliates may use any Marks of the other party or its Affiliates in advertisements or other marketing materials for or in connection with any products or services without obtaining the other party' s (or its applicable Affiliate' s) prior written approval (such approval not to be unreasonably withheld or delayed).

**(d)** **Review of Samples**. Prior to the first use by a party of the other party' s Marks in the manner permitted herein, the party using such Marks shall submit a sample of such proposed use to the other party for its prior written approval. In addition, if there are modifications to a given use of a party' s Marks after such approval is given (i.e., a change in use from what was previously approved), such modifications will be submitted by the party carrying out such modification to the owner of such Marks for approval prior to the modified use.

**(e)** **Goodwill**. All uses by one party of the other party' s Marks shall inure to the benefit of the party owning such Mark.

**(f)** **Additional Protections for Marks**. Neither party shall use, register, or attempt to register, in any country, any name or trademark identical or confusingly similar to the other party' s Marks. The owner party shall have the sole right to and in its sole discretion may control any action concerning its Marks. During the Term, neither party shall do or suffer to be done any act or thing which will in any way harm, misuse, bring into disrepute or adversely affect the other party' s company name or Marks or the rights of the other party therein, nor knowingly use the other party' s Mark in any manner likely to cause harm to the goodwill attached thereto. Without limiting the generality of the foregoing, neither party will amend or modify the other party' s Marks in any way (including but not limited to the addition of any words or symbols). Further, neither party will create a combination mark consisting of one or more Marks of the other party.

**10.5** **Ownership/Reservation of Rights**. Except as set forth in this Section 10, nothing in this Agreement grants either party any right, title or interest in or to any technology or intellectual property of the other party or its Affiliates. Each party reserves all rights not expressly granted in this Agreement. No additional rights (including any implied licenses, covenants, releases or other rights) are granted by implication, estoppel or otherwise.

## 11. CONSIDERATION

**11.1** **General**. During the Term, Hortonworks will submit to Microsoft an invoice for each of the following amounts on its corresponding date, and Microsoft will pay each amount in accordance with this Section 11:

| DATE | PAYMENT AMOUNT |
|---|---|
| July 31, 2012 | $ 2,250,000 |
| September 30, 2012 | $ 2,250,000 |
| December 31, 2012 | $ 2,250,000 |
| March 31, 2013 | $ 2,250,000 |
| June 30, 2013 | $ 2,250,000 |

| DATE | PAYMENT AMOUNT |
|---|---|
| September 30, 2013 | $ 2,250,000 |
| December 31, 2013 | $ 2,250,000 |
| March 31, 2014 | $ 2,250,000 |
| June 30, 2014 | $ 2,250,000 |
| September 30, 2014 | $ 2,250,000 |
| December 31, 2014 | $ 2,250,000 |
| March 31, 2015 | $ 2,250,000 |
| **TOTAL (US Dollars)** | **$ 27,000,000** |

Notwithstanding the above, if Microsoft believes that Hortonworks has not performed its obligations set forth in this Agreement (including, without limitation, any obligations set forth in the Staffing Plan, the ASF Committer Plan, a Development Plan, a Support and Servicing Plan, or the GTM Plan), Microsoft may withhold payment from Hortonworks. If Microsoft withholds all or any portion of a payment to Hortonworks, the parties will immediately commence the formal resolution process set forth in Section 2 of Exhibit A. If the parties fail to resolve their dispute in accordance with such process (which may be modified or extended by mutual agreement), then either party may terminate this Agreement immediately upon written notice to the other party.

**11.2** **Costs and Expenses**. Each party will bear its own costs and expenses in performing its obligations under this Agreement. Costs and expenses include, but are not limited to, the cost of internal resources and personnel that are used by a party to perform its obligations.

**11.3** **Payment Terms**. Microsoft will pay all properly submitted, undisputed invoices under this Agreement net 45 days, and will make all payments to Hortonworks according to Microsoft' s then-current payment procedures. These may include payment via ACH electronic payment to Hortonworks' s financial institution per instructions in Microsoft' s ACH electronic payment form.

**11.4** "**MS Invoice" requirements**. Except for the first payment due under this Agreement, Hortonworks will invoice Microsoft under this Agreement via the "MS Invoice" online tool according to the requirements at http://invoice.microsoft.com. Hortonworks will not date its invoices earlier than the date Hortonworks is entitled to be paid.

**11.5** **Taxes**. The amounts to be paid by Microsoft to Hortonworks do not include any taxes. Microsoft is not liable for any taxes that Hortonworks is legally obligated to pay, including, but not limited to, net income or gross receipts taxes, franchise taxes and property taxes. Microsoft will pay Hortonworks any sales, use or value added taxes it owes due to this Agreement and which the law requires Hortonworks to collect from Microsoft. If Microsoft provides Hortonworks a valid exemption certificate, Hortonworks will not collect the taxes covered by such certificate. Hortonworks will indemnify and hold Microsoft harmless from any claims, costs (including reasonable attorneys' fees) and liabilities that relate to Hortonworks' s taxes. Microsoft will indemnify and hold Hortonworks harmless from any claims, costs (including reasonable attorneys' fees) and liabilities that relate to Microsoft' s taxes. If the law requires Microsoft to withhold taxes from payments to Hortonworks, Microsoft may withhold those taxes and pay them to the appropriate taxing authority. Microsoft will deliver to Hortonworks an official receipt for such taxes. Microsoft will use reasonable efforts to minimize any taxes withheld to the extent allowed by law. Despite any other provision in this Agreement, this Section will govern the treatment of all taxes relating to this Agreement. All fees under this Agreement will be paid from a United States entity.

**12.** **CONFIDENTIALITY**. The non-disclosure agreement entered into by the parties as of July 12, 2011 ("**NDA**") will govern all disclosures of Confidential Information under this Agreement, and the parties agree that the terms and conditions of this Agreement constitute the parties' Confidential Information under the NDA. Upon termination or expiration of this Agreement, each party will comply with the terms of the NDA regarding the return and/or destruction of the other party' s Confidential Information.

## 13. REPRESENTATIONS & WARRANTIES/WARRANTY DISCLAIMER

**13.1 By Each Party**. Each party (the "**Warranting Party**") represents and warrants to the other party that:

**(a)** the Warranting Party has full rights and authority to enter into and perform according to this Agreement and its representative whose signature is affixed to this Agreement has full capacity and authority to bind it to the terms of this Agreement;

**(b)** the Warranting Party' s performance will not violate any agreement entered into between the Warranting Party and any third party;

**(c)** for any software code developed by the Warranting Party and submitted under this Agreement for inclusion in HDP for Microsoft Platforms, no such software code (i) is or will be governed, in whole or in part, by an Excluded License; (ii) is or will be subject to license terms that seek to require any or any product, service or documentation incorporating or derived from any such software code developed by the Warranting Party, to be licensed or shared with any third party; or (iii) infringes or misappropriates any third party copyright, trade secret, trademark or other proprietary right excluding patents or, to the best of the warranting party' s knowledge as of the date the software code is first available in a generally available release of HDP for Windows Azure or HDP for Windows Server (without duty to investigate), infringes any third party patent; and

**(d)** for any third party software code submitted under this Agreement by Warranting Party for inclusion in HDP for Microsoft Platforms, no such software code, to the best of Warranting Party' s knowledge as of the date of delivery (without duty to investigate), (i) is or will be governed, in whole or in part, by an Excluded License; (ii) is or will be subject to license terms that seek to require any or any product, service or documentation incorporating or derived from any such third party software code, to be licensed or shared with any third party; or (iii) infringes or misappropriates any third party copyright, trade secret, trademark, patent, or other proprietary right.

**13.2 DISCLAIMER OF FURTHER WARRANTIES**. EXCEPT AS EXPRESSLY PROVIDED IN SECTION 13.1 ABOVE, AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ALL MATERIALS OF ANY KIND (INCLUDING SOFTWARE) AND FEEDBACK PROVIDED BY EACH PARTY TO THE OTHER PARTY UNDER THIS AGREEMENT ARE PROVIDED "AS IS" AND WITH ALL FAULTS, AND EACH PARTY HEREBY DISCLAIMS WITH RESPECT TO ALL SUCH MATERIALS AND/OR FEEDBACK PROVIDED BY THAT PARTY TO THE OTHER PARTY UNDER THIS AGREEMENT ALL WARRANTIES, REPRESENTATIONS AND CONDITIONS OF ANY KIND, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE IS NO WARRANTY OF NON-INFRINGEMENT OR TITLE.

## 14. INDEMNIFICATION

**14.1 Indemnification**. Each party (the "**Indemnifying Party**") will defend, indemnify and hold harmless the other party, its Affiliates, and their respective successors, directors, officers, employees and agents (each, the "**Indemnified Party**") from and against all third party claims to the extent that any such claim is brought against the Indemnified Party by an unaffiliated third party and arises out of or relates to (a) any breach by the Indemnifying Party of any representation or warranty set forth in Section 13.1; and (b) the negligent or willful acts or omissions of the Indemnifying Party or its agents or contractors resulting in any bodily injury or death to any person or loss, disappearance or damage to tangible or intangible property.

**14.2 Indemnification Procedures**. Neither party will have liability under Section 14.1 to the other party to the comparative extent that claims result from the negligent or willful acts of the other party. The

Indemnified Party will provide the Indemnifying Party with reasonably prompt notice of an indemnifiable claim under this Section 14; permit the Indemnifying Party to solely control the defense and settlement of the claim; and provide the Indemnifying Party with reasonable information and assistance to help the Indemnifying Party defend the claim at the Indemnifying Party' s expense. Any Indemnified Party will have the right to employ separate counsel and participate in the defense of any such claim at its own expense.

**14.3 Acknowledgment of fault and settling claims**. Neither party will stipulate, admit or acknowledge any fault or liability on the part of the other without the other' s prior written consent. The Indemnifying Party will not settle any indemnifiable claim under this Section 14 or publicize any settlement without the other party' s prior written consent.

## 15. LIMITATION OF LIABILITY

**15.1 EXCLUSION OF DAMAGES**. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR INDIRECT DAMAGES WHATSOEVER ARISING OUT OF OR RELATING TO THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, SUCH DAMAGES FOR LOSS OF REVENUE OR PROFIT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, PROVIDED THAT THIS SECTION 15.1 SHALL NOT APPLY TO (A) A BREACH OF THE CONFIDENTIALITY OBLIGATIONS UNDER SECTION 12 ABOVE, (B) THE INDEMNIFICATION OBLIGATIONS UNDER Section 14 OF THIS AGREEMENT, TO THE EXTENT (AND SOLELY TO THE EXTENT) THAT SUCH DAMAGES FORM A PART OF THE THIRD PARTY CLAIMS FOR WHICH INDEMNIFICATION IS SOUGHT, OR (C) EITHER PARTY' S LIABILITY TO THE OTHER FOR INFRINGEMENT OF THE OTHER PARTY' S INTELLECTUAL PROPERTY.

**15.2 LIMITATION OF LIABILITY**. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE MAXIMUM AGGREGATE LIABILITY OF EACH PARTY FOR ANY AND ALL CLAIMS WHATSOEVER: (A) ARISING OUT OF OR UNDER SECTION 14 OF THIS AGREEMENT WILL NOT EXCEED [**] DOLLARS (US [**]); AND (B) FOR ALL OTHER CLAIMS UNDER THIS AGREEMENT WILL NOT EXCEED AMOUNTS ACTUALLY PAID BY MICROSOFT TO HORTONWORKS UNDER THIS AGREEMENT DURING THE [**] MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THE CLAIM, PROVIDED THAT THIS SECTION 15.2 SHALL NOT APPLY TO (A) A BREACH OF THE CONFIDENTIALITY OBLIGATIONS UNDER SECTION 12 ABOVE OR (B) EITHER PARTY' S LIABLITY TO THE OTHER FOR INFRINGEMENT OF THE OTHER PARTY' S INTELLECTUAL PROPERTY.

**15.3 Application**. The parties agree that the limitations on and exclusions of liability for damages set forth in this Section 15 allocate risk between the parties and will apply regardless of the form of action, regardless of whether any remedy has failed its essential purpose, and regardless of whether the liability is based on breach of contract, tort (including negligence), strict liability, breach of warranty, or any other legal theory.

## 16. TERM & TERMINATION

**16.1 Term**. Unless earlier terminated as provided in this Section 16, this Agreement will begin on the Effective Date and continue for three (3) years (the "**Initial Term**"), after which the Agreement will automatically renew for no more than two (2) one-year renewal terms (each a "**Renewal Term**") unless either party gives the other party written notice of termination at least sixty (60) days prior to the end of the Initial Term or the then-current Renewal Term, in which case the Agreement will terminate at the end of such Initial Term or Renewal Term (as the case may be). The "**Term**" of this Agreement extends from the Effective Date until it expires or is terminated.

[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

**16.2 Termination Rights**.

**(a)** **Mutual Right**. Either party may terminate this Agreement upon the other party' s material breach of this Agreement, provided that the non-breaching party provides the other party with thirty (30) calendar days' prior written notice of termination and the breach remains uncured at the end of such 30-day period. Further, either party may terminate this Agreement immediately on written notice if the other party breaches Section 12 of this Agreement or breaches of the NDA.

**(b)** **Additional Termination Right**. Microsoft may terminate this Agreement effective immediately upon written notice (and without Formal Escalation) if (i) someone other than [**] during the Term, (ii) the number of Hortonworks representatives on the Project Management Committee ("**PMC**") for the Apache Hadoop project falls below [**], (iii) Hortonworks substantially reduces its contributions to the PMC for the Apache Hadoop project, (iv) the ASF wholly or substantially revokes or reduces its support of the Apache Hadoop project, (v) primary development and distribution of the Apache Hadoop technology wholly or substantially migrates to an organization other than the ASF, (vi) Hortonworks sells a substantial part of Hortonworks' s assets to a third party, (vii) Hortonworks ceases doing business, terminates its existence, dissolves or liquidates or proceedings are instituted by or against Company under any bankruptcy or insolvency law (which proceedings are not dismissed within 30 days), or (viii) a right of termination is triggered as described under Section 17.6 below.

**(c)** **Effect of Expiration or Termination**. Termination of this Agreement will be without prejudice to any right or remedy of either party arising out of any breach hereof. Upon termination or expiration of this Agreement for any reason, Hortonworks will provide Microsoft with a full and complete copy of all the entire code-base for the HDP for Microsoft Platforms, including all work-in-progress. Further, upon termination or expiration of this Agreement for any reason, Sections 1, 2, 10.1, 10.2, 10.3, 10.5, 12, 13, 14, 15,16.2 and 17 will survive such termination or expiration.

**(d)** **Wind-Down Period**. In the event that Microsoft terminates this Agreement under Section 17.6, then, at no additional cost to Microsoft, Hortonworks agrees to the do the following: (a) for a period of one (1) year after such termination, Hortonworks will continue to provide Microsoft with the support as described in Section 6; (b) during the three (3) month period after such termination, Hortonworks will provide Microsoft with a total of four (4) training classes to be delivered at Microsoft' s specified offices during mutually agreeable times; and (c) during the fourth, fifth and sixth month after such termination, Hortonworks will provide Microsoft with a total of three (3) training classes at Microsoft' s specified offices during mutually agreeable times.

**(e)** **Reservation of Rights and Remedies**. Neither party will be liable to the other for damages of any sort resulting solely from terminating this Agreement in accordance with its terms. All remedies hereunder are cumulative and in addition to any other remedies to which a party may be entitled, at law or equity, subject only to the express limitations set forth in this Agreement.

## 17. MISCELLANEOUS

**17.1 Right of First Refusal**. Hortonworks agrees that, if, during the Term, Hortonworks receives a proposal (e.g., a non-binding term sheet) or request to enter into an agreement with any third party involving a possible transaction that could result in a change of Control of Hortonworks, or an acquisition of a substantial portion of Hortonworks' s assets (either case, a "**Proposal**"), then Hortonworks will within three (3) business days of receipt notify Microsoft. Hortonworks will not accept any such Proposal for at least ten (10) business days after providing notice so that Microsoft may make its own offer to acquire Hortonworks or its assets. If during such ten (10) business day

[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

period Microsoft makes an offer to acquire Hortonworks or its assets, Hortonworks will consider such offer in good faith. If Microsoft does not respond during such ten (10) business day period or expressly declines to make an offer, then Hortonworks will be free to entertain the original Proposal (without limiting any other rights Microsoft has under this Agreement, including Section 16.2 above or 17.6 below). Microsoft is under no obligation to make an offer to Hortonworks under this Section 17.1.

**17.2 No Third Party Beneficiaries; No Partnerships**. This Agreement is solely for the benefit of, and will be enforceable by, the parties only. This Agreement is not intended to and will not confer any right or benefit on any third party. The parties hereunder are operating as independent entities, and nothing in this Agreement will be construed as creating a partnership, franchise, joint venture, employer-employee or agency relationship. Neither party has the authority to make any statements, representations or commitments of any kind on behalf of the other party.

**17.3 Governing law and jurisdiction**. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Washington, without regard to conflict of law provisions. The parties consent to exclusive jurisdiction and venue in the federal courts sitting in the King County, Washington, unless no federal subject matter jurisdiction exists, in which case the parties consent to exclusive jurisdiction and venue in the Superior Court of King County, Washington. Each party waives all defenses of lack of personal jurisdiction and forum non conveniens. Process may be served on any party in the manner authorized by applicable law or court rule.

**17.4 Attorneys' fees**. In any action, suit or proceeding to enforce any right or remedy under this Agreement or to interpret any provision of this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees, court costs and other expenses from the other party.

**17.5 No Exclusivity**. This Agreement is nonexclusive. Subject to 12 (Confidentiality), either party may develop, use, distribute, promote or support offerings similar to or competing with ones that are the subject of this Agreement. Either party may enter into activities with others regarding such competing offerings. Nothing in this Agreement requires either party to use the other party' s feedback.

**17.6 Assignment**. Neither party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other party, and any such assignment in violation of this Section shall be void, except that (i) either party may assign this Agreement or rights granted hereunder to an Affiliate without the consent of the other party, and (ii) the direct or indirect transfer of this Agreement or rights granted hereunder to a successor entity in the event of a merger, corporate reorganization, or acquisition (any such activity described in this subsection (ii), an "**Acquisition**") shall not constitute an assignment for purposes of this Section. For clarity, an initial public offering (IPO) will not be considered an Acquisition for purposes of this Section. If this Agreement is transferred or assigned to a successor entity in the event of an Acquisition and such transfer or assignment is not approved by Microsoft in writing, Microsoft may terminate this Agreement by providing ten (10) days prior written notice to Hortonworks, so long as such written notice is provided no later than two hundred seventy (270) days following such assignment or transfer. If Microsoft terminates this Agreement as described in this Section 17.6: (a) Hortonworks will refund to Microsoft a prorated amount of the last payment made to Hortonworks under this Agreement, i.e., an amount based on proportionate distribution over a calendar quarter; and (b) Hortonworks will provide the training and support for Microsoft during the wind-down period as set forth in Section 16.2(d). This Agreement will inure to the benefit of and bind all permitted successors, assigns, receivers and trustees of each party.

**17.7 Notices**. All notices, authorizations, and requests in connection with this Agreement shall be deemed given as of the day they are received by the recipient either by messenger, international delivery service, or in the United States of America mails, postage prepaid, certified or registered, return receipt requested, and addressed as set forth below. Each party may change the person(s) to whom notices will be sent by giving notice to the other.

| To Microsoft: | To Hortonworks: |
|---|---|
| Microsoft Corporation<br>One Microsoft Way<br>Redmond, WA 98052 | Hortonworks, Inc.<br>455 W. Maude Avenue, Suite 200<br>Sunnyvale, CA 94085 |
| Attn: Corporate Vice President, Business Platforms Division | Attn: Chief Financial Officer |
| Phone: (425)882-8080<br>Fax: (425) 936-7329 | Copy to: Legal Department |
| Copy to:<br>Legal and Corporate Affairs, STB | |
| Fax: (425)936-7329 | |

**17.8** **Construction**. The parties agree that this Agreement is to be interpreted according to the plain meaning of its terms and without any presumption that it should be construed to favor any party. Any list following terms such as "including" or "e.g." is **illustrative** and not exhaustive, unless qualified by terms such as "only" or "solely." All references to sections, parties, and Exhibits are to the sections of, parties to, and Exhibits to this Agreement, unless stated otherwise. All captions are intended solely for the parties' convenience, and none will affect the meaning of any term. The words "written" "in writing", or similar words refer to a non-electronic, paper document only, except where email or fax is expressly authorized.

**17.9** **Waiver and Severability**. A party' s delay or failure to exercise a right or remedy will not result in a waiver of that right or remedy. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable under the governing law, the remaining provisions will remain in full force and effect, and will be construed so as to most nearly reflect the parties' intent with respect to such provision.

**17.10** **Entire Agreement**. This Agreement (including any exhibits) and the NDA constitute the entire agreement between the parties with respect to its subject matter. This Agreement supersedes all prior and contemporaneous agreements, communications and representations, whether written or oral, between the parties regarding its subject matter. This Agreement may be modified solely by written amendment dated after the Effective Date and signed by duly authorized representatives of each party. Purchase orders will be for the sole purpose of defining quantities, prices and the services to be provided under this Agreement, and to this extent only are incorporated as part of this Agreement and all other terms in purchase orders are rejected.

**17.11** **Execution in Counterparts and Electronically Transmitted Signatures**. This Agreement may be executed in counterparts, each of which shall be deemed an original, but each together shall constitute one and the same instrument. Each party agrees that it will not contest the validity of the execution of this Agreement solely on the basis of any signature page being transmitted by email in .pdf or similar electronic format. A .pdf or similarly formatted copy of this Agreement, including the signature pages, will be deemed to be an original. Notwithstanding the foregoing, the parties shall deliver original signature copies of this Agreement to the other party as soon as practicable following execution thereof.

By signing below the parties agree to be bound by the terms and conditions of this Agreement.

| **Hortonworks, Inc.** | **Microsoft Corporation** |
|---|---|
| By: /s/ Dan Bradford<br>Dan Bradford (July 3, 2012) | By: /s/ Satya Nadella |
| Name: Dan Bradford | Name: Satya Nadella |
| Title: VP Finance & Administration | Title: President, [Illegible] |
| Date: Jul 3, 2012 | Date: 07/03/12 |

/s/ [Illegible]
GM + Controller
7-3-12

**Exhibit A**
**Relationship Management**

**1. Governance Process**

**1.1. Executive Sponsors.**

**(a)** **Role**. Each party will designate one executive sponsor who will provide guidance and support for the work under this Agreement and will monitor the overall performance of obligations under this Agreement for the party they represent (each an "**Executive Sponsor**").

**(b)** **Meeting Frequency**. The Executive Sponsors will meet in person or by telephone conference, as needed but at a minimum on a quarterly basis during the Term, to discuss the status of the parties' activities under this Agreement, including, without limitation, execution against the Staffing Plan, achievement of specific milestones or other activities set forth in any Development Plan, progress against the ASF Committer Plan, performance of support and servicing obligations in accordance with any Support and Servicing Plan, quality of training, and fulfillment of the activities set forth in any GTM Plan.

**1.2. Technical Project Managers.**

**(a)** **Role**. Each party will designate a senior level representative to manage that party' s technical collaboration with the other party under this Agreement, and oversee the development of and execution of the Development Plans for that party (each a "**Technical Project Manager**").

**(b)** **Meeting Frequency**. The Technical Project Managers will meet once a month during the Term to review the development and implementation of the Development Plans.

**1.3. Marketing Project Managers.**

**(a)** **Role**. Each party will designate a single point of contact to manage that party' s marketing activities with the other party under this Agreement (each a "Marketing Project Manager").

**(b)** **Meeting Frequency/Monthly Touch Points**. The Marketing Project Managers will meet in person or by telephone conference, as needed but not less than quarterly during the Term to discuss the status of the parties' marketing activities under this Agreement.

**1.4. Appointment of Members and Replacements**. The following representatives of each party will be appointed to the positions described above as of the Effective Date:

| Name | Microsoft Representative(s) | Hortonworks Representative(s) |
|---|---|---|
| Executive Sponsor | Corp. Vice President<br>General Manager | Vice President |
| Technical Project Manager | Principal GPM | Vice President |
| Marketing Project Manager | General Manager | Vice President |

Either party may replace any of the individuals it has appointed to such positions with an individual of substantially equivalent qualifications by providing written notice to the other party of such replacement together with relevant contact information.

**1.5. Frequency**. The parties may change the frequency of any of the meetings described in this Section 1 upon mutual agreement.

**2. Formal Escalation**. The parties will work together to resolve disputes that may arise under this Agreement in a collaborative fashion, if a dispute arises that the parties are unable to resolve in their normal course of operations, then, except with respect to issues described in Section 2.6 below, each party agrees to use the escalation process described in Sections 2.1-2.5 below ("**Formal Escalation**") to resolve the dispute (the "**Escalated Dispute**").

**2.1. Notice of Formal Escalation**. One party will provide written notice to the other party' s Technical Project Manager that they wish to invoke Formal Escalation ("**Notice of Escalation**").

**2.2.** **First Negotiation Period**. During the fifteen (15) calendar days immediately following receipt of the Notice of Escalation, or such other time period on which the parties agree in writing, (such period, the "**First Negotiation Period**"), each party will have its representatives promptly engage in good faith negotiations with representatives of the other party to resolve the Escalated Dispute, as follows:

**(a)** **Technical, Support and Other Issues**. If the Escalated Dispute relates to anything other than a GTM Plan, then each party will have its Technical Project Manager meet during the First Negotiation Period with the other party' s Technical Project Manager (by phone or in person); and

**(b)** **GTM Issues**. If the Escalated Dispute relates to implementation of a GTM Plan, then each party will have its Marketing Project Manager meet during the First Negotiation Period with the other party' s Marketing Project Manager (by phone or in person).

**2.3.** **Escalation to Supporting Sponsors**. If the Escalated Dispute is not resolved by the end of the First Negotiation Period, then each party will have its Executive Sponsor promptly engage in good faith negotiations with the other party' s Executive Sponsor (in person, unless otherwise agreed in writing by the parties) during the fifteen (15) calendar days immediately following the end of the First Negotiation Period, or such other time period on which the parties agree in writing, to resolve the Escalated Dispute (such period, the "**Second Negotiation Period**").

**2.4.** **Resolved Disputes**. If the Escalated Dispute is resolved at any stage during Formal Escalation then, as appropriate, the parties will implement the decision to resolve the dispute.

**2.5.** **Unresolved Disputes**. If the Escalated Dispute is not resolved by the end of the Second Negotiation Period, then each party shall be entitled to pursue any remedy to which such party is entitled under this Agreement, at law or in equity.

**2.6.** **Exclusions from Formal Escalation**. Formal Escalation will not apply to or limit the right of a party (a) to seek a temporary restraining order or other provisional remedy to preserve the status quo or to prevent irreparable harm; or (b) to exercise its termination rights under Section 16 of this Agreement (Term & Termination).

**Exhibit B**
**General Schedule**

| Activity | Completion Date |
|---|---|
| Completion of and mutual agreement on the **Staffing Plan** (as described in Section 3.2 of this Agreement) | On or before July 20, 2012 |
| Completion of and mutual agreement on the **Initial Development Plan** (as described in Section 4.1 of this Agreement) | Within 45 days following the Effective Date for HDP for Windows Azure, and 75 days following the Effective Date for HDP for Windows Server |
| Completion of and mutual agreement on the **ASF Committer Plan** (as described in Section 5 of this Agreement) | Within 90 days of following the Effective Date |
| Completion of and mutual agreement on the **Support and Servicing Plan** (as described in Section 6.4 of this Agreement) | No later than 60 days before a generally available release of HDP for Windows Azure or HDP for Windows Server |
| Completion of and mutual agreement on the first **GTM Plan** (as described in Section 8 of this Agreement) | No later than 90 days before a generally available release of HDP for Windows Azure or HDP for Windows Server |

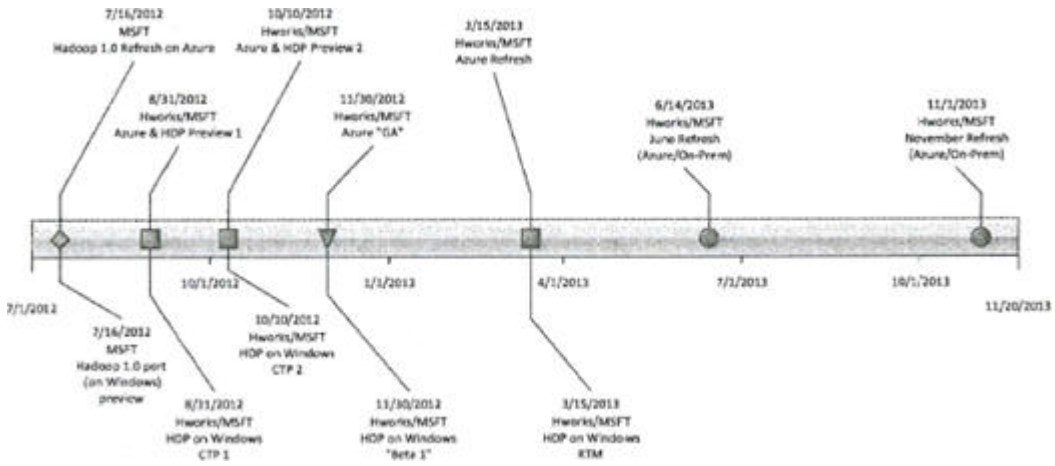
**Exhibit C**
**Development Plan Requirements**

Overview

The following establishes the agreed schedule and allocation of responsibilities for certain deliverables. The parties may agree to modify the schedule, allocation of responsibilities and/or scope of deliverable by written agreement only.

Timeline

The timeline for the joint execution starts with Microsoft finishing the current Hadoop 1.0 port, which will be used to develop HDP for Microsoft Platforms. Starting in August 2012 the parties will previews/refreshes that update HDP for Windows Server and HDP for Windows Azure on a regular cadence, leading up to a Fall generally available (GA) release of HDP for Windows Azure and a Beta 1 of HDP for Windows Server. HDP for Windows Server will RTM in Spring of 2013, after the parties will release HDP for Windows Azure and HDP for Windows Server refreshes in the Spring and Fall, with opportunities for tactical refreshes mid-way. The schedule is outlined below:




**Milestone Details**

***Milestone 1: Hadoop 1.0 Port Refresh (7/16/2012)***

This is a Microsoft-specific milestone, but sets the stage for the future joint Milestones. In Milestone 1, Microsoft completes the initial port of Hadoop 1.0, refreshes its Hadoop service on Azure, and makes an initial preview of the port available on Windows Server.

***Milestone 2: HDP Preview 1 (8/31/2012)***

This is the first Microsoft/Hortonworks joint preview. Goals:

First preview of HDP for Windows Azure and HDP for Windows Server

Scoped for expedience and for customer feedback (provide core capabilities for POC' s and early adopters)

Provides evidence of the Horton works/Microsoft collaboration

Sets foundation for future joint engineering cadence

| **Deliverable / Requirement** | **Hortonworks Responsibilities** | **Microsoft Responsibilities** | **Completion Date(s) & Criteria** |
|---|---|---|---|
| HDP 1.0.1 preview (both HDP for Windows Azure and HDP for Windows Server) | Collaborate with Microsoft to port and implement the following components so that they work on HDP for Windows Azure and HDP for Windows Server:<br>Hadoop Core<br>Pig<br>Hive<br>HCatalog<br>Testing IP<br>Specification for Ambari management API' s | Deployment story for Windows Azure Deployment story for Windows Server Port and maintain components for customer efforts:<br>Flume<br>RHadoop<br>Mahout<br>Oozie | HDP for Windows Azure and HDP for Windows Server installer sign-off 8/31/2012 Core Sign-Off Criteria (per schedule below) |
| Single Node HDP through Windows Platform Installer | Provide HDP 1.1 package | Integrate HDP 1.1 package into the Windows Platform Installer infrastructure | |
| AD Integration | Basic AD/Hadoop integration in place (security @ the edges) | Spec for long term security model on Microsoft platforms. Engagement with Windows Server and AD teams for long term security model design | |
| HA/DR | Current Hadoop HA story works on Windows Server | HA story for Windows Azure resources to help land and test HA on Windows Server | |
| Performance | Staff a Hortonworks participant on the perf v.Team | Staffing of perf v.Team | |

***Milestone 3: HDP Preview 2 (10/10/2012)***

This is the second Microsoft/Hortonworks joint preview. Ideally this will land functional parity of HDP1.1 on Linux and HDP for Windows Azure and HDP for Windows Server. Functional scoping may take place here if hitting this date puts hitting the November Milestone at risk. Goals:

Functionality parity between HDP for Windows Azure and HDP for Windows Server for customer POC' s and early adopters

Broad preview on Windows Azure (capacity permitting)

Broad availability of HDP for Windows Server CTP bits

Internal POC' s running in "production"

Windows Azure performance meets [**] performance for like workloads

<table>
<tr><th>Deliverable / Requirement</th><th>Hortonworks Responsibilities</th><th>Microsoft Responsibilities</th><th>Completion Date(s) & Criteria</th></tr>
<tr><td>HDP 1.1 preview 2</td><td>Same as Milestone 1 plus additional porting and implementation of:<br>Zookeeper<br>HBase<br>Sqoop<br>Ambari management API' s available</td><td>Deployment story for Windows Azure<br>Deployment story for Windows Server<br>Additional components for customer efforts:<br>Flume<br>RHadoop<br>Mahout<br>Oozie<br>System Center MP port on top of Ambari underway</td><td rowspan="4">Service and On-Prem installer sign-off 8/31/2012<br>Core Sign-Off Criteria (per schedule below)</td></tr>
<tr><td>HDP 1.1 Multi-Node through SCVMM (for Keynote at SQL PASS)</td><td colspan="2">Hortonworks and Microsoft will coordinate the creation and development of demo</td></tr>
<tr><td>Performance</td><td>Configuration level performance tuning of Windows Azure and Windows Server deployments</td><td>Staffing of perf v.Team</td></tr>
<tr><td>Hadoop 2.0</td><td>Hadoop 2.0 Branch working on Windows Server (dev branch)</td><td>POC' s on Hadoop 2.0<br>YARN implementations<br>Large internal customer on top of HDFS2</td></tr>
</table>

[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

***Milestone 4: Azure GA (11/30/2012)***

Milestone 4 marks the GA release of HDP on Windows Azure. HDP on Windows Server is at Beta 1.

Goals:

HDP for Windows Azure goes GA

Hadoop on Windows is in Beta 1 with a "go live" license, TAP partners can put their POC' s into production

Support in place for HDP for Windows Platforms

| **Deliverable / Requirement** | **Hortonworks Responsibilities** | **Microsoft Responsibilities** | **Completion Date(s) & Criteria** |
|---|---|---|---|
| HDP 1.1 RTM | Same as Milestone 3 plus implementation of following new functionality:<br>- Extensible Job Submission API' s<br>- Extensible HCat story | Deployment story for Windows Azure<br>Deployment story for Windows Server<br>Additional components for customer efforts:<br>Flume<br>RHadoop<br>Mahout<br>Oozie<br>System Center MP working over Ambari | Service and On-Prem installer sign-off 8/31/2012<br>Core Sign-Off Criteria (per schedule below)<br>Microsoft' s additional components run on HDP 1.1 preview bits |
| Patching | Patching story for deployed clusters | Integration of patching story for Windows Azure and Windows Server | |
| Hadoop 2.0 | Hadoop 2.0 Branch working on Windows Server (dev branch) | POC' s on Hadoop 2.0<br>YARN implementations<br>Large internal customer on top of HDFS2 | |

***Milestone 5: Hadoop on Windows GA/RTM (3/15/2013)***

The RTM milestone for HDP for Windows Server. Goals:

Microsoft delivers final RTM packaging of HDP for Windows Server

Microsoft' s key integration points have landed:

System Center Management over Ambari

HA/DR story in place for VI

Security model in place for VI

| **Deliverable / Requirement** | **Hortonworks Responsibilities** | **Microsoft Responsibilities** | **Completion Date(s) & Criteria** |
|---|---|---|---|
| HDP 1.x RTM | Functional parity between HDP on Linux and HDP for Microsoft Platforms | System Center Management over Ambari<br>HA/DR story in place for V1<br>Security model in place for V1 | Service and On-Prem installer sign-off 8/31/2012 Core Sign-Off Criteria (per schedule below) |
| Hadoop 2.0 | Hadoop 2.0 preview available | .NET YARN preview<br>Hive YARN preview<br>POC' s on HDFS2 | |

***Milestone 6: Microsoft/Hortonworks Spring refresh***

Scope TBD... June refresh with latest HDP 1.x bits as well as Hadoop 2.0 Beta

***Milestone 7: Microsoft/Hortonworks Fall refresh***

Scope TBD... Azure and On-Prem bits refreshed with HDP2.0 (note: Hadoop 2.0 is core to HDP 2.0)

**Core Sign-off Criteria**

| **Core Sign-Off Criteria**<br>*This table enumerates the core sign-off criteria expected to be applied at the end of every milestone.* |
|---|
| Full component test coverage:<br>- All Linux tests ported and are at functional parity on Windows Azure and Windows Server<br>- Test sign off meets pre-agreed test pass metric for each milestone (to be agreed to @ milestone entry) |
| Long haul test coverage:<br>- Hortonworks applies its Test IP that is used on [**] Linux to HDP for Windows Azure and HDP for Windows Server<br>- Microsoft provides capacity on-premises and in Azure to enable this test coverage<br>- Full functional and stress parity to [**] Workloads |
| Performance metrics met:<br>- Engineering teams set realistic performance goals that reflect the expectations of each milestone<br>- Initial milestones have a strong emphasis on functional parity with a bar of comparable performance to Linux / [**]<br>- Later milestones have a heavy emphasis on performance tuning both in Azure and On-Premises in conjunction with the Windows and Azure teams |
| Threat models in place:<br>- Microsoft / Hortonworks establish a joint set of best practices that use Microsoft Threat Models for threat/security assessments of delivered bits.<br>- In early previews the required threat models must be identified and the process agreed<br>- From Windows Azure "GA" onward (Nov. 2012) threat models must be signed off before refreshing the service or delivering on-prem bits<br>- Microsoft will have SQL SWI approved Threat Models for all touch points between Microsoft functionality and HDP |
| Security tools:<br>- Security tools applied before any public facing release |
| Policheck:<br>- Policheck run on all Microsoft code |
| OSS Commitment:<br>- All code that should be contributed back to the OSS community is already in the process of being committed back |
| Pedigree Code Scan:<br>- Microsoft may elect to conduct run a pedigree code scan on HDP and accompanying components/packages before signing off on any Microsoft for Windows Platforms release |

[**] Confidential treatment has been requested for the bracketed portions. The confidential redacted portion has been omitted and filed separately with the Securities and Exchange Commission.

**Exhibit D**
**Support and Servicing Plan Requirements**

## A. Definitions

"**Customer**" means an end-user customer of any HDP for Microsoft Platforms release supported under a Support Offering

"**Documentation**" includes the documentation made available as part of any HDP for Microsoft Platforms release supported under a Support Offering, which may be modified from time to time by agreement of the parties.

"**Error**" means a failure of an HDP for Microsoft Platforms offering to conform in all material respects with its applicable Documentation. "Error" includes any Customer-reported issue that meets the description of Severity 1, 2 or 3, as set forth Section E of this Exhibit.

"**Support Offering**" means a Microsoft-offered customer support plan and agreement. An individual Support Offering may impose unique requirements on the delivery of Microsoft' s customer support services, *e.g.*, calls handled by U.S. citizens only (U.S. National), immediate escalation to most qualified support engineer in region (Third Tier), or guaranteed response times and, as required, direct involvement of product engineers (Mission Critical). The foregoing requirements (and their respective Support Offerings) are intended to be illustrative of certain requirements, and not exhaustive of all requirements and/or Support Offerings.

"**MSSolve**" means the customer support tracking and process management system used by Microsoft and its support providers to manage customer support cases.

## B. Support Workflow

**Tier 1 Support Responsibilities (Microsoft in all cases)**

"Tier 1 Support" means the initial Customer contact, routing the call to the correct Microsoft support engineer, handling of general technical software questions from Customer related to a HDP for Microsoft Platforms release, as well as gathering of key information required to clearly identify the Error.

Tier 1 Support activities include (but are not limited to):

- Receive initial Customer' s calls, verify support entitlement, and open a case tagged as possibly HDP-related in MSSolve with Customer contact information.
- Respond to Customer according to the SLAs of the current Support Offering in place with the Customer.
- Develop an Error description and classify the Error as Severity 1, 2 or 3, as determined by information gathered from the Customer.
- Collect information on the HDP for Microsoft Platforms release and version, as well as hardware, operating system, and other appropriate configurations.
- Answer general questions and provide pointers to Documentation for informational requests.
- Collect log files, configuration files, and other information needed to identify the nature of the Error.
- Research the available known issue databases to provide immediate fixes or workarounds for known Errors.
- Escalate the Error to Tier 2 Support when it cannot be resolved in Tier 1 Support.

**Tier 2 Support Responsibilities (Hortonworks, then Microsoft under the terms of this Agreement)**

"Tier 2 Support" means the process of reproducing or troubleshooting the Error, based on the information provided by Tier 1 Support, plus additional information gathered from the Customer as needed.

Tier 2 Support activities include (but are not limited to):

- Receive the escalated case from Tier 1 Support and acknowledge receipt of the escalated case through a written confirmation to Microsoft in accordance with the response times outlined in this Exhibit.

Confirm, expand, and/or correct Error description.

Attempt to reproduce the Error on a stand-alone basis based on the available information.

Gather additional information required to more clearly identify the Error.

Identify the product, component, or module that is the most likely source of the Error.

Escalate the Error to Tier 3 Support if it cannot be resolved by Tier 2 Support.

For each case closed, create a knowledge base solution to be entered in Microsoft' s knowledge base.

**Tier 3 Support Responsibilities (Hortonworks in all cases)**

"Tier 3 Support" means the handling of an escalated Error from Tier 2 Support until it is resolved as agreed upon by Microsoft, or until the Customer agrees to close the case.

Tier 3 Support activities include (but are not limited to):

Acknowledge receipt of the escalated case through a written confirmation to Microsoft in accordance with the response times outlined in Section E of this Exhibit.

Verify reproduction of Error by Tier 2 Support, or request additional information needed to reproduce or diagnose the Error.

Identify a workaround. The acceptance of a workaround as a solution must meet the terms of the current Support Offering in place with the Customer and be agreed upon by Microsoft.

Create instrumented classes/software for advanced troubleshooting/diagnosing of the Error.

Develop and deliver a fix, or identify a future release that will include a fix, in accordance with Section E of this Exhibit. The acceptance of a future release as a solution to the Error must meet the terms of the current Support Offering in place with the Customer and be agreed upon by Microsoft.

For each case closed, create a knowledge base solution to be entered in Microsoft' s knowledge base.

For any code change to a Microsoft for Hadoop Platforms release, create a Jira in the ASF issue database (or equivalent for the project being changed) to track submitting the code change back to the OSS branch of the project being modified. Each Jira must been carried through to the point the code change is committed to the appropriate project branch(s).

**C. Roles and Responsibilities**

**Microsoft Support Responsibilities**

Microsoft will provide Tier 1 Support and, in time, Tier 2 Support as outlined in Section 6.3 of this Agreement.

Microsoft will ensure that Microsoft personnel complete appropriate training before Microsoft provides any Tier of support.

Provide Hortonworks personnel with access to and training on the MSSolve.

At its discretion, Microsoft may survey Customers who have interacted with Hortonworks to evaluate customer satisfaction with the support quality of service (QoS) received. Microsoft will make available to Hortonworks the Microsoft compiled QoS data on an ongoing basis. QoS scores, as rated by Customers, will be evaluated by Microsoft on a quarterly basis. If unsatisfactory, as defined by Microsoft, Microsoft may choose to terminate or alter (through negotiation with Hortonworks) the support aspects of this Agreement.

Only the named support contacts are eligible to contact Hortonworks for customer support.

The Microsoft' s technical support team will be the primary point of contact for the Customer during the entire resolution process, unless both parties agree that it will be beneficial to have Hortonworks personnel speak directly with the Customer. If Hortonworks personnel are required to participate in email threads with the Customer they will do so using a @microsoft.com email account provided to them by Microsoft.

All final product fixes produced by Hortonworks will be distributed to the Customer by Microsoft personnel using Microsoft' s standard release mechanisms.

**Hortonworks Support Responsibilities**

Hortonworks will provide Tier 3 Support and, initially, Tier 2 Support as described in Section 6.3 of the Agreement.

For each case escalated to Hortonworks, Hortonworks will use MSSolve to report to Microsoft certain logistical information, including the engineers that worked on the case, the total engineering time spent per issue, and other pertinent information. This information must be input into MSSolve before a support case will be considered closed.

All Hortonworks-provided support will be done by Hortonworks employees and may not be subcontracted to a vendor.

For Errors categorized as Severity 1 or 2, Hortonworks will notify Microsoft personnel via email or by telephone of defects and/or issues in the relevant open source code and provide Microsoft with a detailed description of the defects and/or issues along with information on how to identify it.

Hortonworks will make commercially reasonable efforts to provide an update designed to solve or by-pass a reported Error.

While providing any Tier of support, if Hortonworks investigates an Error and concludes that HDP for Windows Platforms code is not implicated, Hortonworks will record the investigations completed and conclusions reached and hand back responsibility for the support case to Microsoft as described in Section D of this Exhibit.

For Errors categorized as Severity 1 or 2, Microsoft may initiate a three-party call to include Hortonworks personnel, Microsoft personnel, and the Customer who reported the problem. At Microsoft' s request, Hortonworks will represent itself as Microsoft support personnel on the three-party call to the extent feasible and permissible by law and/or good corporate practices.

All communications by Hortonworks with Microsoft and/or Customers will be in English unless otherwise noted.

As required by any Support Offering, Hortonworks will have at least one U.S. citizen available to provide Tier 2 Support and Tier 3 Support (as outlined above) at all times.

Prior to Hortonworks providing any Tier of support, Hortonworks must provide a written disaster recovery plan to Microsoft which shall include, but not be limited to, a detailed implementation plan for launching support at an alternate site and should include specific details regarding contact information, telecom, and other infrastructure required to provide uninterrupted support services in the event of an unforeseen issues with the primary support site used by Hortonworks.

All product changes or best practice recommendations created through Error resolution must be included in a backwards-compatible manner in subsequent HDP for Windows Platforms releases unless otherwise agreed upon by Microsoft and Hortonworks.

**Hortonworks Training Responsibilities**

Hortonworks will train Microsoft support personnel such that over time Microsoft will be the sole Tier 2 Support provider.

At the outset of this Agreement, Hortonworks will send two support engineers for 10 business days to a Microsoft support site of Microsoft' s selection. During these 10 days Hortonworks engineers will train Microsoft support engineers on Hadoop fundamentals and common issue debugging techniques.

After the initial meeting described in the prior bullet, on a quarterly basis Hortonworks will send one engineer to a Microsoft support site of Microsoft' s selection for 5 business days to further train Microsoft support personnel.

While providing Tier 2 Support and/or Tier 3 Support Hortonworks will lead a monthly three-hour "support pipeline" virtual meeting where Microsoft support and product engineers meet with Hortonworks support engineers to discuss the unique cases handled that month and the steps taken to diagnose and resolve the issues. The purpose of these meetings is to raise awareness of new issues and train Microsoft support engineers.

Throughout the above training events, Microsoft support engineers, as agreed on by Hortonworks, will begin selectively handling Tier 2 support duties for new support cases up until the point at which Microsoft is independently handling all Tier 2 support as outlined by Section 6.3 of this Agreement.

**D. Support Issue Handoff Process**

MSSolve provides an issue queue for each technical area and support provider. Microsoft will establish two issue queues (i.e., one for "HDP for Microsoft Platform: Hortonworks," and one for "HDP for Microsoft Platforms: Microsoft") in MSSolve to facilitate handoff of support issues from Microsoft to Hortonworks, and vice versa.

The transition of responsibility for a support issue from Microsoft to Hortonworks will be complete when a Microsoft support engineer moves the issue into the "HDP for Microsoft Platforms: Hortonworks" queue in MSSolve. Hortonworks will receive a system automated email indicating the presence of a new issue in its queue. For Errors categorized as Severity 1 or 2, Microsoft will call a Hortonworks-provided phone number to facilitate the issue handoff, as necessary, after moving an issue into the Hortonworks queue. For Errors categorized as Severity 3, initial contact from Microsoft to Hortonworks will be made via the system automated email previously described. Subsequent interaction between Hortonworks and Microsoft personnel may be done via phone, web, virtual meeting, etc., as agreed on by the personnel assigned to the case.

The total time spent by an issue in the "HDP for Microsoft Platforms: Hortonworks" queue will be used to determine if an issue has been resolved in line with the response times set forth in Section E of this Exhibit.

If Hortonworks investigates an issue in the "HDP for Microsoft Platforms: Hortonworks" queue and determines the issue is not related to an HDP for Microsoft Platforms release, then Hortonworks will reassign ownership of the issue back to Microsoft by moving the issue from the "HDP for Microsoft Platforms: Hortonworks" queue to the "HDP for Microsoft Platforms: Microsoft" queue.

## E. Error Severity Classification & Service Level Agreements

Before escalating any Error to Hortonworks, the Error will be classified (Severity 1, 2 or 3) by Microsoft. Hortonworks will then take action in accordance with the process below to resolve the Error.

| *Severity* | *Category & Criteria* | *Response to Microsoft* | *Triage* | *Product Update* | *Status Report to Microsoft* |
|---|---|---|---|---|---|
| 1 | Critical<br>Downtime that severely impacts customer production or profitability. High impact issues where production, operations, or development are proceeding but could be severely impacted within several days. Also includes all "Urgent" security errors. | Within 2 hours of initial problem report by Microsoft, Hortonworks will acknowledge receipt and will begin investigation of the problem. | Hortonworks will investigate, diagnose and produce a resolution on a continuous 24-hour, 7-day a week basis until a solution is provided to all Customers reporting the problem. | Within 3 business days of the problem being resolved, Hortonworks will determine if the problem is applicable to other installations and if so test and prepare a general update for distribution to all Customers. | Every 4 hours until the problem is fixed as verified by Microsoft and the Customer(s) reporting the issue. |
| 2 | Urgent<br>High impact issues where production is proceeding but in a significantly impaired fashion. Time sensitive issues that are important to long-term productivity but are not causing an immediate work stoppage. Also includes all "Important" security errors. | Within 4 hours of initial problem report by Microsoft, Hortonworks will acknowledge receipt and will begin investigation of the problem. | Hortonworks will investigate, diagnose and produce a resolution on a continuous basis during the hours of 8 am to 8 pm (Hortonworks local time) on a 7-day a week basis until a solution is provided to all Customers reporting the problem. | Within 5 business days of the problem being resolved, Hortonworks will determine if the problem is applicable to other installations and if so test and prepare a general update for distribution to all Customers. | Every 8 hours during the Hortonworks support day (including at the end of the support day) until the problem is fixed as verified by Microsoft and the Customer(s) reporting the fix. |
| 3 | Important<br>Important issues that currently do not have significant productivity impact. Also includes all "Moderate" security errors. | Within 8 hours of initial problem report by Microsoft, Hortonworks will acknowledge receipt and will begin investigation of the problem. | Hortonworks will investigate, diagnose and produce a resolution on a continuous basis during the business hours of 8 am to 6 pm (Hortonworks local time) on a 5-business day a week basis until a solution is provided to all Customers reporting the problem. | Within 10 business days of the problem being resolved, Hortonworks will determine if the problem is applicable to other installations and if so test and prepare a general update for distribution to all Customers. | Weekly. |

For purposes of this Exhibit, the terms "Critical," "Important," and "Moderate" security errors have the respective meanings set forth in Microsoft' s public security vulnerability Severity Rating System, the current version of which is set forth at http://www.microsoft.com/technet/security/bulletin/rating.mspx. Microsoft may, in its sole discretion, change its Severity Rating System from time to time.

For any vulnerability with a "Critical," "Important," or "Moderate" severity rating, Microsoft may immediately issue to Customers guidance (e.g., via a public posting, such as a security bulletin, "blog" post, or otherwise, or via an optional security update) regarding how to mitigate the vulnerability. If an acceptable, corrected version of HDP (i.e., a version that removes the vulnerability) is made generally commercially available by or on behalf of Hortonworks, and upon Hortonworks providing notice of the same to Microsoft, Microsoft will make commercially reasonable efforts, within 5 days after receipt of such notice, to update any such guidance, including how to obtain the new release of HDP for Windows Platforms, as applicable.

## F. Information Required by Hortonworks to Provide Tier 2 Support or Tier 3 Support

This Section outlines the information Hortonworks needs to perform Tier 2 Support or Tier 3 Support for HDP for Microsoft Platforms. Microsoft will use all commercially reasonable efforts to collect this information from Customers; however, Hortonworks and Microsoft acknowledge all the information requested below may not always be possible to collect from every Customer (due to customer privacy policies, etc.)

**Case Subject and History:**

Include a brief problem statement or error code. Microsoft will advise Hortonworks in writing if Microsoft has personnel at the Customer' s for installation, or troubleshooting.

**Account Information:**

Customer Name: The name of the Customer who is having the problem.

**System Environment (may be part of the Deployment Configuration Document):**

**Hardware Configuration:** Include all hardware servers or appliances within the Customer' s environment.

CPU, RAM, hard drives, NICs

**Operating system configurations:** Include all information regarding disk configurations, volume configurations

Distro, kernel, patches

**Rack Specifics:**

Switches and configuration

Type and number of units within the rack

Ambient conditions

Power

**Hadoop configuration files**

**Cluster Size**

**Geographic locations of clusters**

**Dependencies between clusters**

**Software Configuration:** Include all software applications within the Customer' s environment,

**Network Configuration:**

Switches and rack to rack throughput

Gateways to and from the cluster

Physical distribution

Security/Authority/Cert Services

Name/Directory Services

Proxies

Firewalls / Routers

VLANs

All non-Hadoop services / protocols / traffic

**Storage Configuration:** Include all storage devices within the Customer' s environment, e.g., JBOD/SAN/RAID controller model/firmware revisions, RAID set size, RAID stripe size.

**Storage Utilization:** Include percentage of storage within HDP for Microsoft Platforms is currently under use.

**Third-Party Systems:** Include any third-party or hosted systems in use, along with a detailed description,

**Virtualization Spec:**

Host cluster and / or grid configuration

VM hypervisor config

**HDP for Microsoft Platforms modules currently implemented and the systems that interconnect with them**

**Error Description:**

**Summary:** Describe the Error, including any error messages, where the Error is occurring (server or client side), and URLs used when the Error was received. Also attach any relevant screen shots, log files, or configuration files associated with the error message.

**History:** When the Error was first encountered

**Frequency:** Frequency of the Error and conditions under which the Error occurs

**Reproducibility:** Reproducibility of the Error

**Workarounds:** Known actions to resolve the Error (example: restarting Daemons, remounting the FS, etc.)

**Impact:** Describe how many Customers/users are affected by the Error. Also include any business impact this may be causing to help determine the severity and priority of the Error.

**Logs and Application code:** Include output or debug logs to illustrate error codes. List specific jobs running that cause the Error Submit code as part of the support case

**Error Reproduction:** Describe Microsoft' s attempts to reproduce the Error

**Exhibit E**
**Microsoft Marks and Hortonworks Marks**

Microsoft' s Marks:

MICROSOFT

WINDOWS AZURE

WINDOWS SERVER

Hortonworks' s Marks:

HORTONWORKS

HORTONWORKS DATA PLATFORM

HDP

**Exhibit F**

**Guidelines for the Use of Microsoft Marks**

Hortonworks may only use Microsoft' s Marks as permitted under Section 10.4 of this Agreement.

Hortonworks' s name or logo must appear on any materials where Microsoft' s Marks are used and must be at least as prominent as Microsoft' s Marks.

Hortonworks may use Microsoft' s Marks only as provided by Microsoft electronically and in hard copy form. Hortonworks may not alter Microsoft' s Marks in any manner.

Microsoft' s Marks may not be used in any manner that expresses or might imply Microsoft' s affiliation, sponsorship, endorsement, certification, or approval, other than as contemplated by this Agreement.

Hortonworks must otherwise comply at all times with the guidelines for use of Microsoft' s Marks as currently specified at http://www.microsoft.com/trademarks/t-mark/MS-Guide.htm, or as may hereafter be specified by Microsoft.

**Exhibit G**

**Guidelines for the Use of Hortonworks Marks**

**TRADEMARK STANDARDS FOR USE**

Use of any Hortonworks trademark must be in accordance with this policy. Hortonworks' trademark policy attempts to balance two competing interests: Hortonworks' need to ensure that its trademarks remain reliable indicators of the source and quality of Hortonworks' products and services and Hortonworks' desire to permit community members, software distributors and others that Hortonworks works with to discuss Hortonworks' products and services and to accurately describe their affiliation with Hortonworks.

Underlying Hortonworks' trademark policy is the general law of trademarks. Trademarks exist to help consumers identify, and organizations publicize, the source of products and services. Some organizations make better products than others; over time, consumers begin to associate those organizations (and their trademarks) with quality. When such organizations permit others to place their trademarks on goods of lesser quality, they find that customer trust evaporates quickly. This is the situation that Hortonworks seeks to avoid, especially since, when it comes to intangible products like software, trust is all consumers have to decide on.

Although Hortonworks' trademark policy is composed of a number of specific rules, most reflect the overarching requirement that your use of Hortonworks' trademarks be non-confusing and non-disparaging. By non-confusing, Hortonworks means that people should always know who they are dealing with, and where the software they are downloading came from. Websites and software that are not produced by Hortonworks should not imply, either directly or by omission that they are. By non-disparaging, we mean that, outside the bounds of fair use, you cannot use our trademarks as vehicles for defaming us or sullying our reputation. These basic requirements can serve as a guide as you work your way through the policy.

**Ownership**

The Hortonworks trademarks will remain the sole property of Hortonworks. All use and goodwill associated with the Hortonworks trademarks will inure to the benefit of Hortonworks.

**Standards for Use**

All uses of Hortonworks trademarks must conform to the following:

1. Prior to any use of any Hortonworks trademarks, you must submit the proposed use for Hortonworks' prior written approval. Hortonworks may, in its sole discretion, approve or reject such use, and Hortonworks will notify you promptly of the approval or rejection.

2. You may use the Hortonworks trademarks only to identify and distinguish Hortonworks products and services. The Hortonworks trademarks may not be applied to products or services provided by anyone other than Hortonworks, except as authorized in writing by Hortonworks.

3. You may not combine any Hortonworks trademark with another word or hyphenate any Hortonworks trademark.

4. You may not abbreviate any Hortonworks trademark by leaving out one or more word portions of the trademark.

5. You may use the Hortonworks trademarks only as adjectives and never as nouns or verbs. You may not use any Hortonworks trademark in possessive form.

6. Hortonworks trademarks may only be used with the correct form of notice of registration. The correct notice to be used in association with trademarks depends on whether or not the mark is registered in the applicable jurisdiction. If it is not registered, the notice or the word "trademark" or the symbol "TM" or "SM" should be used in association with the trademark. If it is registered in the applicable jurisdiction, the ® should be used. These notices should be placed adjacent to the trademark and be given on all advertising materials, and on product labeling, computer screens, and other uses. Where a trademark is used more than once in a single display, the notice should be placed at the first or most prominent use of the trademark.

7. The following notice should appear in the document in which the Hortonworks trademark is used: "[TRADEMARK] is a trademark of Hortonworks, Inc."

8. When you use a Hortonworks trademark in a non-stylized form, such as in the body of text of an advertisement, it must be set apart and distinguished from the other words in the text. In order to do this, the trademark should be rendered in boldface type, italics, all capital letters, set in quotation marks or underlined.

9. Each representation of a Hortonworks trademark should be consistent, undistorted, and clear. The logo may not be used in a size so small that any design feature of the mark is lost. In general, this will mean that the logo must appear by itself, in a reasonable size, with reasonable spacing (at least the height of the logo) between each side of the logo and other graphic or textual element. The logo must appear in exactly the same spatial relationship as set forth in any graphic standards information provided by Hortonworks.

10. You may not use any Hortonworks trademark in any advertising or material in violation of any applicable law, ordinance or regulation of any country.

11. You may not use any Hortonworks trademark in a misleading in any way.

12. You may not use any Hortonworks trademark on or in connection with any defamatory, scandalous, pornographic or other objectionable materials of any sort.

13. You may not use any Hortonworks trademark to disparage Hortonworks or its products or services, or in a manner which, in Hortonworks' reasonable judgment, may diminish or otherwise damage Hortonworks' goodwill in the logos, trade names, or trademarks.

14. You may not take any action that would in any way tarnish or dilute the value of the Hortonworks trademarks.

15. You may not adopt, use or attempt to register with any agency in any jurisdiction the trademark "Hortonworks" or any trademark, trade name, service mark, logo or domain name consisting of, in whole or in part, the word "Hortonworks" or any marks confusingly similar to any Hortonworks trademark.

16. If you become aware of any infringement, actual or suspected, or any other unauthorized use of any Hortonworks trademark, you will promptly give notice to Hortonworks in writing, specifying the particulars of the unauthorized use.

17. You agree not to attack the title or any rights of Hortonworks in and to Hortonworks' trademarks or attack the validity of the Hortonworks' trademarks.

18. If, at any time, Hortonworks objects to your improper use of any Hortonworks trademark, you agree to take such steps as may be necessary to resolve Hortonworks' objections.

**Services Related to Hortonworks Software**

If you offer services related to Hortonworks software, you may use Hortonworks' trademarks in describing and advertising your services, so long as you don' t violate these overall guidelines for the use of Hortonworks' trademarks or do anything that might mislead customers into thinking that Hortonworks has any direct relationship with your organization, without Hortonworks' prior written consent. For example, it is OK if your website says, "Services for the Hortonworks products." It' s not OK, though, if it says, "Hortonworks training services sold here," since the first suggests that Hortonworks is related to your business, and the second is confusing as to who, you or Hortonworks, is performing the training. When in doubt, err on the side of providing more, rather than less, explanation and information.

**Domain Names**

If you want to include all or part of a Hortonworks trademark in a domain name, you must first receive written permission from Hortonworks. People naturally associate domain names with organizations whose names sound similar. Almost any use of a Hortonworks trademark in a domain name is likely to confuse consumers, thus running afoul of the overarching requirement that any use of a Hortonworks trademark be non-confusing.

**Questions**

Hortonworks has tried to make its trademark policy as comprehensive as possible. If you' re considering a use of a Hortonworks trademark that is not covered by the policy, and you are unsure whether that use would run afoul of Hortonworks' guidelines, please contact Hortonworks at marketing@Hortonworks.com.

**Exhibit 21.1**

**Subsidiaries of Hortonworks, Inc.**

Pachydermworks, C.V. (Bermuda)

Hortonworks, B.V. (Netherlands)

Hortonworks UK Limited (United Kingdom)

Hortonworks Data Platform India Private Limited (India)

Hortonworks GmbH

Yertleworks, LLC

Pachydermworks, LLC

Hortonworks Korea

Agniv, Inc. dba XA Secure

**Exhibit 23.1**

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form S-1 of our report dated June 24, 2014 relating to the consolidated financial statements of Hortonworks, Inc (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the change of Hortonworks, Inc' s fiscal year end from April 30 to December 31) appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the headings ‘‘Experts’’ in such Prospectus.

*/S/ DELOITTE & TOUCHE LLP*

San Jose, California
November 10, 2014

GOODWIN | PROCTER

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Counselors at Law
135 Commonwealth Drive
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T: 650.752.3100
F: 650.853.1038

November 10, 2014

Barbara C. Jacobs
Assistant Director
Securities and Exchange Commission
Division of Corporation Finance
100 F Street, NE
Washington, D.C. 20549

**Re: Hortonworks, Inc.**
**Amendment No. 3 to Confidential Draft Registration Statement on Form S-1**
**Submitted September 29, 2014**
**CIK No. 0001610532**

Dear Ms. Jacobs:

This letter is submitted on behalf of Hortonworks, Inc. (the "Company") in response to the comments of the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") with respect to the Company's amended Confidential Draft Registration Statement on Form S-1 submitted on September 29, 2014 (the "Draft Registration Statement"), as set forth in your letter dated October 15, 2014 addressed to Robert Bearden, Chief Executive Officer of the Company (the "Comment Letter"). The Company is concurrently filing a Registration Statement (the "Registration Statement"), which includes changes that reflect responses to the Staff's comments.

For reference purposes, the text of the Comment Letter has been reproduced herein with responses below each numbered comment. For your convenience, we have italicized the reproduced Staff comments from the Comment Letter. Unless otherwise indicated, page references in the descriptions of the Staff's comments refer to the Draft Registration Statement, and page references in the responses refer to the Registration Statement. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Draft Registration Statement.

The responses provided herein are based upon information provided to Goodwin Procter LLP by the Company. In addition to submitting this letter via EDGAR, we are sending via courier four (4) copies of each of this letter and the Registration Statement (marked to show changes from the Draft Registration Statement).

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

Overview, page 48

1. *We have reviewed your additional analysis you provided in response to prior comment 1 to support your belief that you are not currently substantially dependent on your agreement with Microsoft. Although your revenue and billing trends appear to show that your dependence on Microsoft is declining as your non-Microsoft-related revenue increases as a percentage of total revenues, we continue to believe that you should file this agreement under Item 601(b)(10) of Regulation S-K. While it appears your dependence on Microsoft is declining, your anticipated revenues derived from the Microsoft agreement is still anticipated to be 19% of your anticipated total revenues for the fiscal quarter ended September 30, 2014.*

   RESPONSE: The Company respectfully acknowledges the Staff' s position and has filed its agreement with Microsoft as Exhibit 10.3 to the Registration Statement.

Critical Accounting Policies and Estimates

Stock-Based Compensation, page 65

2. *We note your response to prior comment 2 that you initiated discussions with the underwriters regarding an initial public offering on May 1, 2014. Please clarify whether there were any internal discussions of the possibility of an initial public offering prior to May 1, 2014. If there were any internal discussions regarding the possibility of an initial public offering prior to May 1, 2014, please clarify why the valuation specialist began factoring in the probability weighted expected return method (PWERM) for the company's valuation only after the May 14, 2014 organizational meeting. Please also tell us the valuation specialist's consideration for factoring in the PWERM as part of their valuations prior to May 14, 2014. As part of your response, please provide us with any Board minutes and any other correspondence for the period from January 1, 2014 through April 30, 2014.*

   RESPONSE: The Company supplementally advises the Staff that preliminary internal discussions about the possibility of an initial public offering or alternative liquidity event for investors of the Company' s preferred shares during Q4 2014 or more likely 2015 began in late Q1 2014 while the Company was working to structure and complete its Series D preferred stock financing. At that time, the Company discussed a number of possible scenarios with an initial public offering being one potential outcome. Following these internal discussions, the Company began informal discussions with possible underwriters in April 2014 to determine if an initial public offering might be possible in the near to mid-term given the Company' s stage of operations. This discussion eventually led to the Company' s management inviting Goldman, Sachs & Co. to present a framework for an IPO to the Company' s board of directors on May 1, 2014. Following that meeting, the

Company' s management then set forth plans to identify an appropriate time to convene an organizational meeting and begin the process to define an IPO timeline in May 2014.

With respect to the valuation specialist' s selection of the PWERM and timing thereof, prior to the Board meeting on May 1, 2014, the most recent and fundamentally sound valuation methodology was the market approach in line with the actual value of the transaction that was completed for the Series D financing round on March 24, 2014. That valuation was completed by the valuation specialist on April 4, 2014 for a valuation effective as of March 24, 2014. The conversion to the PWERM methodology was catalyzed by the aforementioned Board meeting on May 1, 2014 and the subsequent organizational meeting on May 14, 2014, whereby the Company' s management set forth a definitive timeline to complete an IPO.

The Company has supplementally provided the Staff with the Board actions for the period from January 1, 2014 through April 30, 2014 (board consents dated January 28, February 3, April 21 and April 25). The Company supplementally confirms that there were no other Board actions between January 1, 2014 and April 30, 2014 that discussed an IPO.

If you should have any questions concerning the enclosed matters, please contact the undersigned at (650) 752-3139 or Bradley C. Weber at (650) 752-3226.

Sincerely,

/s/ Richard A. Kline

Richard A. Kline

cc: Patrick Gilmore, *Securities and Exchange Commission*
Eiko Yaoita Pyles, *Securities and Exchange Commission*
Edwin Kim, *Securities and Exchange Commission*
Robert Bearden, *Hortonworks, Inc.*
David M. Howard, *Hortonworks, Inc.*
Craig M. Schmitz, *Goodwin Procter LLP*
Bradley C. Weber, *Goodwin Procter LLP*
John L. Savva, *Sullivan & Cromwell LLP*