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As filed with the Securities and Exchange Commission on February 6, 2012

Registration No. 333-176444

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 5
TO
FORM S-1

REGISTRATION STATEMENT
Under
The Securities Act of 1933

Brightcove Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	7372	20-1579162
(State of Incorporation)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

One Cambridge Center
Cambridge, MA 02142
(888) 882-1880
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Jeremy Allaire
Chief Executive Officer
Brightcove Inc.
One Cambridge Center
Cambridge, MA 02142
(888) 882-1880
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

William J. Schnoor, Esq. Joseph C. Theis, Esq. Goodwin Procter LLP Exchange Place 53 State Street Boston, MA 02109 (617) 570-1000	Andrew Feinberg, Esq., CLO Christopher Menard, CFO Christopher Keenan, Esq. Brightcove Inc. One Cambridge Center Cambridge, MA 02142 (888) 882-1880	David A. Westenberg, Esq. Wilmer Cutler Pickering Hale and Dorr LLP 60 State Street Boston, MA 02109 (617) 526-6000

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

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

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	Amount to be Registered(1)	Proposed Maximum Offering Price Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock, $0.001 par value per share	5,750,000	$12.00	$69,000,000.00	$2,177.40

(1) Estimated pursuant to Rule 457(a) under the Securities Act of 1933, as amended. Includes additional shares that the underwriters have the option to purchase to cover over-allotments, if any.
(2) Estimated solely for the purpose of calculating the registration fee.
(3) The Registrant previously paid $5,805.00 in connection with the original filing of this Registration Statement on August 24, 2011.

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, as amended, or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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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.

PROSPECTUS (Subject to Completion)
Issued February 6, 2012

5,000,000 Shares

brightcove

COMMON STOCK

Brightcove Inc. is selling 5,000,000 shares of our common stock. This is our initial public offering and no public market currently exists for our shares of common stock. We anticipate that the initial public offering price will be between $10.00 and $12.00 per share.

We have applied to list our common stock on the NASDAQ Global Market under the symbol "BCOV".

Investing in our common stock involves risks. See "Risk Factors" beginning on page 9.

PRICE $ A SHARE

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Brightcove
Per Share	$	$	$
Total	$	$	$

We have granted the underwriters the right to purchase up to an additional 750,000 shares of common stock to cover over-allotments.

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

The underwriters expect to deliver the shares of common stock to purchasers on , 2012.

MORGAN STANLEY *STIFEL NICOLAUS WEISEL*

RBC CAPITAL MARKETS *PACIFIC CREST SECURITIES* *RAYMOND JAMES*

, 2012

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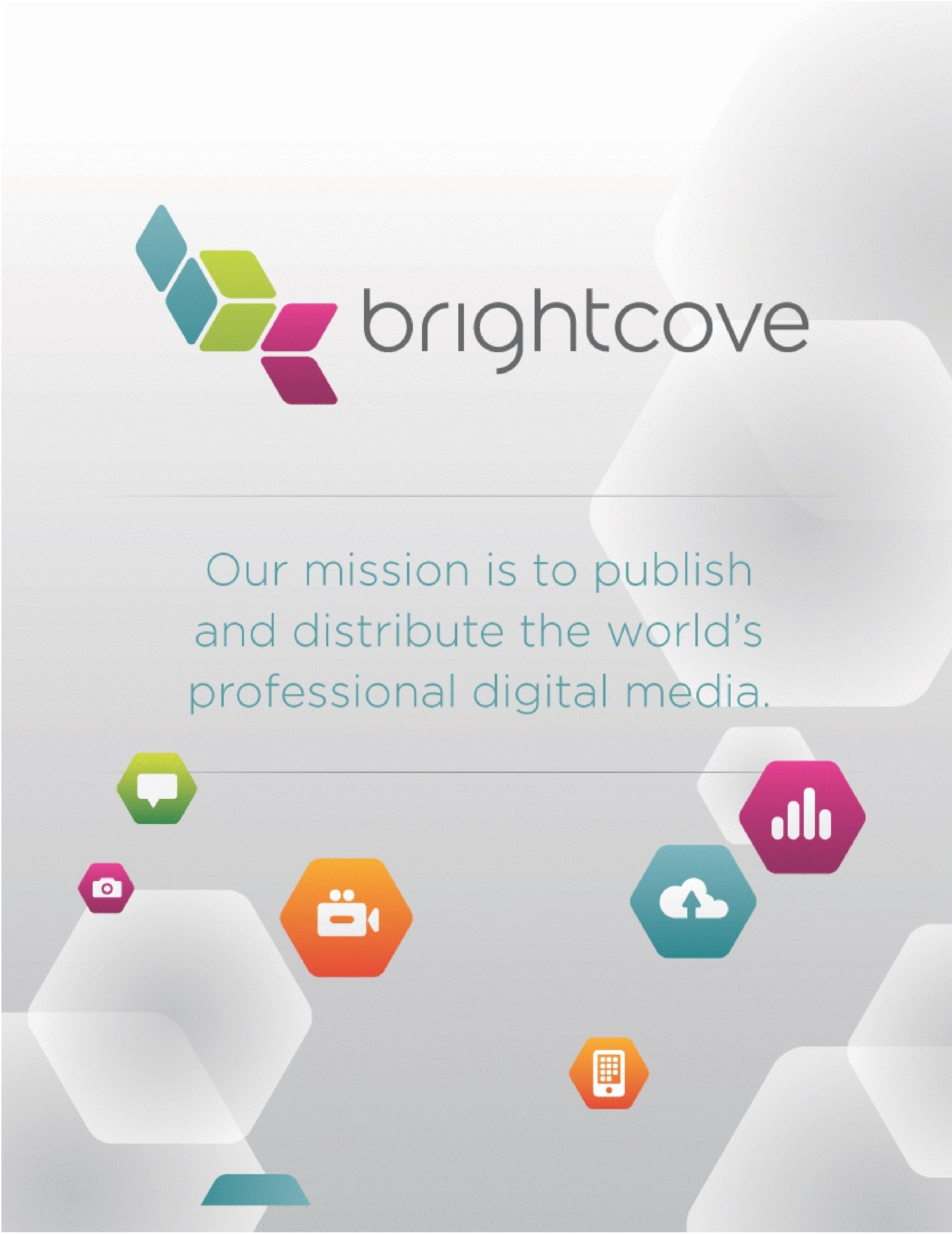

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You should rely only on the information contained in this prospectus or in any free writing prospectus we file with the Securities and Exchange Commission, or SEC. We and the underwriters have not authorized anyone to provide you with additional information or information different from that contained in this prospectus or any free writing prospectus. We and the underwriters are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date on the front cover of this prospectus, or other earlier date stated in this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock.

Until , 2012 (the 25th day after the date of this prospectus), all dealers that buy, sell, or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

For investors outside of the United States: Neither we nor any of the underwriters have done anything that would permit this offering outside the United States or permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our consolidated financial statements and the related notes included elsewhere in this prospectus. You should also consider, among other things, the matters described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in each case appearing elsewhere in this prospectus.

BRIGHTCOVE INC.

Brightcove is a leading global provider of cloud-based solutions for publishing and distributing professional digital media. Brightcove Video Cloud, our flagship product released in 2006, is the world's leading online video platform. As of December 31, 2011, we had 3,872 customers in over 50 countries, including many of the world's leading media, retail, technology and financial services companies, as well as governments, educational institutions and non-profit organizations.

Widespread and growing broadband adoption, rapid growth in online video viewership, the proliferation of new Internet-connected devices and the emergence of social media have radically changed the way in which people interact with and consume content online. Organizations now seek to manage growing libraries of content and media, create compelling branded user experiences and deliver those experiences across a wide range of Internet-connected devices such as PCs, smartphones, tablets and televisions. These processes can be complex, expensive and time-consuming.

Brightcove Video Cloud, or Video Cloud, enables our customers to publish and distribute video to Internet-connected devices quickly, easily and in a cost-effective and high-quality manner. Our innovative technology and intuitive user interface give customers control over a wide range of features and functionality needed to publish and deliver a compelling user experience, including content management, format conversion, video player styling, distributed caching, advertising insertion, content protection and distribution to diverse device types and multiple websites, including their own websites, partner websites and social media sites. Video Cloud also includes comprehensive analytics that allow customers to understand and refine their engagement with end users.

In May 2011, we announced the initial release of Brightcove App Cloud, or App Cloud. We made our first commercial sale of App Cloud in September 2011 and made App Cloud generally commercially available in November 2011. App Cloud is a software application development and management platform designed to help customers publish and distribute video and other professional digital media through software applications across multiple Internet-connected devices. We refer to these applications as content apps. We believe App Cloud will serve the market for the development and management of content apps much like Video Cloud serves the market for publishing and distributing video content online.

We generate revenue by offering our products to customers on a subscription-based, software as a service, or SaaS, model. Our revenue grew from $24.5 million in the fiscal year ended December 31, 2008 to $63.6 million in the fiscal year ended December 31, 2011 and the number of customers using our products grew from 549 as of December 31, 2008 to 3,872 as of December 31, 2011. Our revenue was $43.7 million for the fiscal year ended December 31, 2010, compared to $63.6 million for the fiscal year ended December 31, 2011. To date, substantially all of our revenue has been attributable to our Video Cloud product. Our consolidated net loss was $17.8 million for the fiscal year ended December 31, 2010, compared with $17.3 million for the fiscal year ended December 31, 2011. We expect to continue to invest in the growth of our business and operations and to incur operating losses on an annual basis through at least the end of 2012.

Our Mission

Our mission is to publish and distribute the world's professional digital media.

Our Market and Industry

We believe there is a large and growing market opportunity for our on-demand solutions. This market opportunity reflects several important trends:

- many consumers are now equipped with high-speed broadband connections;
- the cost of creating and producing professional video content has dropped dramatically;
- video content consumption has become a mainstream online activity for consumers;
- smartphones and tablets are rapidly becoming mainstream tools for consuming digital media;
- increasingly, next-generation content experiences are being driven through new Internet-connected consumer electronics;
- the number of content apps is growing rapidly; and
- social media destinations such as Facebook and Twitter are becoming important channels for discovering and distributing digital media.

Although these trends are driving a rapid expansion of content creation, they are also creating greater challenges to managing, publishing and distributing a high-quality digital experience. Content owners have attempted to address these challenges with two common solutions: video-sharing sites and in-house solutions. Many content owners are finding these solutions inadequate, however. Although video-sharing sites can serve as distribution channels, these sites generally do not provide the features and functionality that professional organizations require to achieve their objectives. At the same time, in-house solutions are often not a viable alternative because of the significant investment of money, time and people that is required to create and maintain a comprehensive video solution that keeps pace with advances in technology.

Publishing and distributing digital content in a high-quality manner is a critical strategy for many organizations worldwide. We believe there is a significant opportunity for a comprehensive SaaS solution designed to address the growing complexity and expense organizations face when seeking to publish professional digital media. Given the industry trends and the limitations of video-sharing sites and in-house solutions, we believe adoption of outsourced online video platforms will increase.

Our Solution

Video Cloud offers the following key benefits:

- *Comprehensive, highly configurable and scalable*. Video Cloud includes all of the features and functionality necessary to publish and distribute video online to a broad range of Internet-connected devices in a high-quality manner. Our multi-tenant architecture enables us to scale our solution as our customer and end user base expands.
- *Easy to use and low total cost of ownership*. We designed Video Cloud to be intuitive and easy-to-use, empowering anyone within an organization to publish and distribute video online. We provide a reliable, cost-effective, on-demand solution to our customers, relieving them of the cost, time and resources associated with in-house solutions.

- *Open platform and extensive ecosystem*. Our open and extensible platform enables our customers to customize our solution and integrate it with third-party technology to meet their own specific requirements and business objectives. We also have an extensive ecosystem of technology and solution partners which provide our customers with enhanced flexibility, functionality and ease of use.
- *Help customers grow their audience and generate revenue*. Our customers use our product to achieve key business objectives such as driving site traffic, increasing viewer engagement on their sites, increasing conversion rates for transactions, increasing brand awareness and expanding their audiences. Our video advertising features such as tools for ad insertions and built-in ad server and network integrations help our customers generate advertising revenue from their audiences.
- *Ongoing customer-driven development*. Through our account managers, customer support team, product managers and regular outreach from senior leadership, we solicit and capture feedback from our customer base for incorporation into ongoing enhancements to our platform.

Our Business Strengths

We believe that the following business strengths also differentiate us from our competitors and are key to our success:

- *We are the recognized online video platform market leader.* In 2011, our customers used Video Cloud to deliver an average of approximately 743 million video streams per month, which we believe is more video streams per month than any other professional solution. In December 2011, our customers used Video Cloud to reach over 177 million unique viewers on over 94,000 websites.
- *We have a demonstrated track record of innovation and technology leadership*. We pioneered the commercialization of online video platforms beginning with our first customer deployment in 2006, and we have consistently released new features and functionality. In April 2011, we were issued a U.S. patent covering aspects of publishing and distributing digital media online. Our latest innovation is the development and introduction of App Cloud.
- *We have established a global presence*. We have established a global presence, beginning with our first non-U.S. customer in 2007, and continuing with the expansion of our operations into Europe, Japan and Asia Pacific. We built our solutions to be localized into almost any language and currently offer 24/7 customer support worldwide.
- *We have high visibility and predictability in our business.* We sell our subscription and support services through monthly, quarterly or annual contracts and recognize revenue over the life of the committed term. The predictable revenue recognition of our existing contracts provides us with visibility into revenue that has not yet been recognized. We also achieved an overall recurring dollar retention rate of at least 86% in each of the last eight fiscal quarters, including 94%, 93%, 94% and 93% for the three months ended March 31, 2011, June 30, 2011, September 30, 2011 and December 31, 2011, respectively.
- *We have customers of all sizes across multiple industries.* We offer different editions of Video Cloud tailored to meet the needs of organizations of various sizes, from large global enterprises to small and medium-sized businesses, across industries.
- *Our management team has experience building and scaling software companies.* Our people have held senior product, business and technology positions at software companies such as Adobe, Allaire, ATG, EMC, Lycos, Macromedia and Phase Forward.

Growth Strategy

Key elements of our growth strategy are:

- *Acquire new customers.* We believe that every organization with a website or digital content is a potential customer. We intend to make significant investments across all areas of our business, including sales, marketing, lead-generation and product development to acquire new customers.
- *Expand our relationships with existing customers.* We believe we can grow our business with existing customers by helping them increase their usage of our products, expanding their deployments with us and selling additional functionality to them.
- *Continue to innovate*. We plan to continue innovating and bringing to market new solutions and new features on existing solutions. We believe App Cloud is a prime example of this strategy and represents a significant opportunity for growth.
- *Increase our global market penetration.* We intend to expand our presence in targeted geographies by growing our direct sales force and international sales channels. We believe our existing international markets and new markets each represent significant opportunities for growth.
- *Continue to build our brand and drive category awareness.* We plan to continue investing in marketing and promotion to enhance our brand and increase awareness of the online video and content app platform categories.
- *Pursue strategic acquisitions.* We plan to pursue acquisitions that complement our existing business, represent a strong strategic fit and are consistent with our overall growth strategy.

Risks Relating to Our Business and Our Industry

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled “Risk Factors” immediately following this prospectus summary. Some of these risks are:

- We have a history of losses, we expect to continue to incur losses and we may not achieve or sustain profitability in the future.
- We have a relatively short operating history, which makes it difficult to evaluate our business and future prospects.
- If customer demand for our services does not meet expectations, our ability to generate revenue and meet our financial targets could be adversely affected.
- Our long-term success depends, in part, on our ability to expand the sales of our products to customers located outside of the United States, and thus our business is susceptible to risks associated with international sales and operations.
- We must keep up with rapid technological change to remain competitive in a rapidly evolving industry.
- If we are unable to retain our existing customers, our revenue and results of operations will be adversely affected.
- Our business and operations have experienced rapid growth and organizational change in recent periods, which has placed, and may continue to place, significant demands on our management and infrastructure. If we fail to manage our growth effectively and successfully recruit additional highly-qualified employees, we may be unable to execute our business plan, maintain high levels of service or address competitive challenges adequately.
- We face significant competition and may be unsuccessful against current and future competitors. If we do not compete effectively, our operating results and future growth could be harmed.
- Immediately after this offering our two largest stockholders, Accel Partners and General Catalyst Partners (and entities that are affiliated with them), will beneficially own an aggregate of approximately 42.7% of our outstanding common stock and will likely continue to have effective control over our company.

Our Corporate Information

We were incorporated in Delaware in August 2004 as Video Marketplace, Inc., and changed our name to Brightcove Inc. in March 2005. Our principal executive office is located at One Cambridge Center, Cambridge, Massachusetts 02142 and our telephone number is (888) 882-1880. Our website address is *www.brightcove.com*. The information on, or that can be accessed through, our website does not constitute part of this prospectus, and you should not rely on any such information in making the decision whether to purchase our common stock. Unless otherwise stated, all references to "us," "our," "Brightcove," "we," the "company" and similar designations refer to Brightcove Inc. and its subsidiaries.

BRIGHTCOVE, the Brightcove logo and other trademarks or service marks of Brightcove appearing in this prospectus are the property of Brightcove. Trade names, trademarks and service marks of other organizations appearing in this prospectus are the property of their respective holders.

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THE OFFERING

Common stock offered by us	5,000,000 shares
Common stock to be outstanding after this offering	26,375,037 shares
Overallotment option offered by us	The underwriters have an option to purchase a maximum of 750,000 additional shares of common stock. The underwriters can exercise this option at any time within 30 days from the date of this prospectus.
Use of proceeds	We intend to use approximately $7.0 million of the net proceeds of this offering to repay outstanding indebtedness and to use the remainder for working capital and other general corporate purposes. We may also use a portion of the net proceeds to acquire complementary technologies or businesses. See "Use of Proceeds."
Proposed NASDAQ Global Market symbol	"BCOV"
Risk factors	You should read carefully "Risk Factors" in this prospectus for a discussion of factors that you should consider before deciding to invest in shares of our common stock.

The number of shares of common stock to be outstanding after this offering is based on 21,375,037 shares of common stock outstanding as of December 31, 2011 and excludes:

- 3,986,706 shares of common stock issuable upon the exercise of stock options outstanding as of December 31, 2011 with a weighted-average exercise price of $3.76 per share;
- 46,713 shares of common stock issuable upon the exercise of warrants outstanding as of December 31, 2011 with a weighted-average exercise price of $3.21 per share;
- 124,703 shares of common stock reserved for future issuance under our Amended and Restated 2004 Stock Option and Incentive Plan, or the 2004 Plan, as of December 31, 2011;
- 171,712 shares of common stock issuable upon the exercise of stock options approved by our board of directors for grant effective upon the earlier of (a) the closing of this offering at an exercise price equal to the price to the public listed on the cover page of this prospectus or (b) a date determined by our board of directors that is no later than December 15, 2012 at an exercise price determined by our board of directors on the date of such determination; and
- 1,700,000 shares of common stock reserved for future issuance under our 2012 Stock Incentive Plan, or the 2012 Plan.

Except as otherwise indicated, the information in this prospectus:

- gives effect to our amended and restated certificate of incorporation, which will be in effect upon completion of this offering;
- gives effect to the conversion of all of our outstanding preferred stock into 16,150,505 shares of common stock upon the closing of this offering;
- assumes that the warrants outstanding as of December 31, 2011 to purchase 60,728 shares of our series B preferred stock automatically become warrants to purchase 46,713 shares of our common stock upon the closing of this offering;
- gives effect to our 1-for-2.6 reverse stock split of our common stock which became effective on February 6, 2012; and
- assumes no exercise by the underwriters of their option to purchase up to an additional 750,000 shares of our common stock in this offering to cover over-allotments.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables summarize certain consolidated financial and other data for our business. You should read the following summary consolidated financial data in conjunction with "Selected Consolidated Financial Data" and "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.

We derived the consolidated statements of operations data for the years ended December 31, 2009, 2010 and 2011 and the consolidated balance sheet data as of December 31, 2010 and 2011 from our audited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of results to be expected in any future period.

	Year Ended December 31,		
	2009	2010	2011
	(in thousands, except per share data)		
Consolidated statements of operations data:			
Revenue:			
Subscription and support revenue	$32,240	$ 40,521	$ 60,169
Professional services and other revenue	3,947	3,195	3,394
Total revenue	36,187	43,716	63,563
Cost of revenue[(1)]:			
Cost of subscription and support revenue	6,986	11,060	15,478
Cost of professional services and other revenue	3,463	4,065	4,744
Total cost of revenue	10,449	15,125	20,222
Gross profit	25,738	28,591	43,341
Operating expenses[(1)]:			
Research and development	8,927	12,257	15,267
Sales and marketing	13,218	24,124	31,564
General and administrative	6,696	9,617	12,640
Total operating expenses	28,841	45,998	59,471
Loss from operations	(3,103)	(17,407)	(16,130)
Other income (expense):			
Interest income	313	185	23
Interest expense	—	—	(358)
Other income (expense), net	22	(503)	(719)
Total other income (expense), net	335	(318)	(1,054)
Loss before income taxes and non-controlling interest in consolidated subsidiary	(2,768)	(17,725)	(17,184)
Provision for income taxes	55	56	90
Consolidated net loss	(2,823)	(17,781)	(17,274)
Net loss (income) attributable to non-controlling interest in consolidated subsidiary	478	280	(361)
Net loss attributable to Brightcove Inc.	(2,345)	(17,501)	(17,635)
Accretion of dividends on redeemable convertible preferred stock	(4,918)	(5,470)	(5,639)
Net loss attributable to common stockholders	$ (7,263)	$(22,971)	$(23,274)
Net loss per share attributable to common stockholders—basic and diluted	$ (1.70)	$ (4.98)	$ (4.75)

	Year Ended December 31, 2009	2010	2011
	(in thousands, except per share data)		
Weighted-average number of common shares used in computing net loss per share attributable to common stockholders—basic and diluted	4,276	4,612	4,900
Pro forma net loss per share attributable to common stockholders—basic and diluted(2)			$ (0.84)
Pro forma weighted-average number of common shares used in computing net loss per share attributable to common stockholders—basic and diluted(2)			21,051

	Year Ended December 31, 2009	2010	2011
	(in thousands)		
(1)Stock-based compensation included in above line items:			
Cost of subscription and support revenue	$ 21	$ 26	$ 52
Cost of professional services and other revenue	36	99	117
Research and development	125	369	367
Sales and marketing	102	1,459	1,008
General and administrative	224	1,362	2,653

	As of December 31, 2010	As of December 31, 2011 Actual	Pro Forma(3)	Pro Forma As Adjusted(3)(4)
	(in thousands)			
Consolidated Balance Sheet Data:				
Cash and cash equivalents	$ 20,341	$ 17,227	$ 17,227	$ 57,577
Property and equipment, net	4,706	6,079	6,079	6,079
Working capital	17,263	10,204	10,204	51,387
Total assets	41,984	47,338	47,338	87,688
Current and long-term debt	—	7,000	7,000	—
Redeemable convertible preferred stock warrants	285	424	—	—
Redeemable convertible preferred stock	114,404	120,351	—	—
Total stockholders' (deficit) equity	(86,937)	(105,085)	15,690	63,040

(2) Pro forma basic and diluted net loss per share have been computed to give effect to the conversion of all redeemable convertible preferred stock into shares of common stock, as if such conversion had occurred as of the date of original issuance. The impact of the accretion of unpaid and undeclared dividends has been excluded from the determination of net loss attributable to common stockholders as the holders of the redeemable convertible preferred stock are not entitled to receive undeclared dividends upon such conversion.

(3) The balance sheet data as of December 31, 2011 is presented:

- on an actual basis;
- on a pro forma basis to reflect the automatic conversion of all outstanding shares of our preferred stock and warrants to purchase shares of our preferred stock into 16,150,505 shares of common stock and warrants to purchase 46,713 shares of common stock, respectively, upon the completion of this offering; and
- on a pro forma as adjusted basis to reflect the pro forma adjustments described above and the sale by us of 5,000,000 shares of common stock offered by this prospectus at the initial public offering price of $11.00 per share, which is the mid-point of the estimated price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and after the application of a portion of the net proceeds of this offering to the repayment of certain of our outstanding indebtedness.

(4) A $1.00 increase (decrease) in the assumed initial public offering price of $11.00 per share, which is the mid-point of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) the amount of cash and cash equivalents, working capital, total assets and total stockholders' equity by approximately $4.7 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of one million shares in the number of shares of our common stock offered by us would increase (decrease) the amount of cash and cash equivalents, working capital, total assets and total stockholders' equity by approximately $10.2 million, assuming that the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including our consolidated financial statements and related notes, before deciding whether to invest in our common stock. Any of the risk factors we describe below could materially adversely affect our business, financial condition or results of operations, as could other risks not currently known to us or risks that we consider immaterial. The market price of our common stock could decline if one or more of these risks or uncertainties actually occurs, causing you to lose all or part of your investment. Certain statements below are forward-looking statements. See "Special Note Regarding Forward-Looking Statements" in this prospectus.

Risks Relating to Our Business and Our Industry

We have a history of losses, we expect to continue to incur losses and we may not achieve or sustain profitability in the future.

We have incurred significant losses in each fiscal year since our inception in 2004. We experienced a consolidated net loss of $2.8 million for the year ended December 31, 2009, a consolidated net loss of $17.8 million for the year ended December 31, 2010 and a consolidated net loss of $17.3 million for the year ended December 31, 2011. These losses were due to the substantial investments we made to build our products and services, grow and maintain our business and acquire customers. Key elements of our growth strategy include acquiring new customers and continuing to innovate and build our brand. As a result, we expect our operating expenses to increase in the future due to expected increased sales and marketing expenses, operations costs, research and development costs and general and administrative costs and, therefore, our operating losses will continue or even increase at least through 2012. In addition, as a public company we will incur significant legal, accounting and other expenses that we did not incur as a private company. Furthermore, to the extent that we are successful in increasing our customer base, we will also incur increased expenses because costs associated with generating and supporting customer agreements are generally incurred up front, while revenue is generally recognized ratably over the term of the agreement. You should not rely upon our recent revenue growth as indicative of our future performance. We cannot assure you that we will reach profitability in the future or at any specific time in the future or that, if and when we do become profitable, we will sustain profitability. If we are ultimately unable to generate sufficient revenue to meet our financial targets, become profitable and have sustainable positive cash flows, investors could lose their investment.

We have a relatively short operating history, which makes it difficult to evaluate our business and future prospects.

Our business has a relatively short operating history, which makes it difficult to evaluate our business and future prospects. We have been in existence since 2004, and much of our growth has occurred in recent periods. We have encountered, and will continue to encounter, risks and difficulties frequently experienced by growing companies in rapidly changing industries, including those related to:

- market acceptance of our current and future products and services;
- customer renewal rates;
- our ability to compete with other companies that are currently in, or may in the future enter, the market for our products;
- our ability to successfully expand our business, especially internationally;
- our ability to control costs, including our operating expenses;
- the amount and timing of operating expenses, particularly sales and marketing expenses, related to the maintenance and expansion of our business, operations and infrastructure;
- network outages or security breaches and any associated expenses;
- foreign currency exchange rate fluctuations;

- write-downs, impairment charges or unforeseen liabilities in connection with acquisitions;
- our ability to successfully manage any acquisitions; and
- general economic and political conditions in our domestic and international markets.

If we do not manage these risks successfully, our business will be harmed.

The actual market for our solutions could be significantly smaller than our estimates of our total potential market opportunity, and if customer demand for our services does not meet expectations, our ability to generate revenue and meet our financial targets could be adversely affected.

While we expect strong growth in the markets for our products, it is possible that the growth in some or all of these markets may not meet our expectations, or materialize at all. The methodology on which our estimate of our total potential market opportunity is based includes several key assumptions based on our industry knowledge and customer experience. If any of these assumptions proves to be inaccurate, then the actual market for our solutions could be significantly smaller than our estimates of our total potential market opportunity. In addition, we have very limited experience with customer adoption of our App Cloud product, having made our first commercial sale of App Cloud in September 2011. If the customer demand for our services or the adoption rate in our target markets does not meet our expectations, our ability to generate revenue from customers and meet our financial targets could be adversely affected.

Our business is substantially dependent upon the continued growth of the market for on-demand software solutions.

We derive, and expect to continue to derive, substantially all of our revenue from the sale of our on-demand solutions. As a result, widespread acceptance and use of the on-demand business model is critical to our future growth and success. Under the perpetual or periodic license model for software procurement, users of the software would typically install and operate the applications on their hardware. Because many companies are generally predisposed to maintaining control of their information technology, or IT, systems and infrastructure, there may be resistance to the concept of accessing software as a service provided by a third party. In addition, the market for on-demand software solutions is still evolving, and competitive dynamics may cause pricing levels to change as the market matures and as existing and new market participants introduce new types of solutions and different approaches to enable organizations to address their technology needs. As a result, we may be forced to reduce the prices we charge for our products and may be unable to renew existing customer agreements or enter into new customer agreements at the same prices and upon the same terms that we have historically. If the market for on-demand software solutions fails to grow, grows more slowly than we currently anticipate or evolves and forces us to reduce the prices we charge for our products, our revenue, gross margin and other operating results could be materially adversely affected.

Substantially all of our revenue comes from a single product, Video Cloud.

We are currently substantially dependent on revenue from a single product, Video Cloud. Our business would be harmed by a decline in the market for Video Cloud, increased competition in the market for online video platforms, or our failure or inability to provide sufficient investment to support Video Cloud as needed to maintain or grow its competitive position.

Our operating results may fluctuate from quarter to quarter, which could make them difficult to predict.

Our quarterly operating results are tied to certain financial and operational metrics that have fluctuated in the past and may fluctuate significantly in the future. As a result, you should not rely upon our past quarterly operating results as indicators of future performance. Our operating results depend on numerous factors, many of which are outside of our control. In addition to the other risks described in this "Risk Factors" section, the following risks could cause our operating results to fluctuate:

- our ability to retain existing customers and attract new customers;

- the mix of annual and monthly customers at any given time;
- the timing and amount of costs of new and existing marketing and advertising efforts;
- the timing and amount of operating costs and capital expenditures relating to expansion of our business, operations and infrastructure;
- the cost and timing of the development and introduction of new product and service offerings by us or our competitors; and
- system or service failures, security breaches or network downtime.

Our long-term success depends, in part, on our ability to expand the sales of our products to customers located outside of the United States, and thus our business is susceptible to risks associated with international sales and operations.

We currently maintain offices and have sales personnel in Australia, France, Germany, Japan, Singapore, South Korea, Spain and the United Kingdom, and we intend to expand our international operations. Any international expansion efforts that we may undertake may not be successful. In addition, conducting international operations subjects us to new risks that we have not generally faced in the United States. These risks include:

- unexpected costs and errors in the localization of our products, including translation into foreign languages and adaptation for local practices and regulatory requirements;
- lack of familiarity and burdens of complying with foreign laws, legal standards, regulatory requirements, tariffs, and other barriers;
- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions;
- difficulties in managing systems integrators and technology partners;
- differing technology standards;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- difficulties in managing and staffing international operations and differing employer/employee relationships;
- fluctuations in exchange rates that may increase the volatility of our foreign-based revenue;
- potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems and restrictions on the repatriation of earnings;
- uncertain political and economic climates; and
- reduced or varied protection for intellectual property rights in some countries.

These factors may cause our costs of doing business in these geographies to exceed our comparable domestic costs. Operating in international markets also requires significant management attention and financial resources. Any negative impact from our international business efforts could negatively impact our business, results of operations and financial condition as a whole.

We must keep up with rapid technological change to remain competitive in a rapidly evolving industry.

The online video platform market is characterized by rapid technological change, frequent new product and service introductions and evolving industry standards. Our future success will depend on our ability to adapt quickly to rapidly changing technologies, to adapt our services and products to evolving industry standards and to improve the performance and reliability of our services and products. To achieve market acceptance for our products, we must effectively anticipate and offer products that meet changing customer demands in a timely manner. Customers may require features and functionality that our current products do not have. If we fail to develop products that satisfy customer preferences in a timely and cost-effective manner, our ability to renew our contracts with existing customers and our ability to create or increase demand for our products will be harmed.

We may experience difficulties with software development, industry standards, design or marketing that could delay or prevent our development, introduction or implementation of new products and enhancements. The introduction of new products by competitors, the emergence of new industry standards or the development of entirely new technologies to replace existing offerings could render our existing or future products obsolete.

If we are unable to successfully develop or acquire new features and functionality, enhance our existing products to anticipate and meet customer requirements or sell our products into new markets, our revenue and results of operations will be adversely affected.

If we are unable to retain our existing customers, our revenue and results of operations will be adversely affected.

We sell our products pursuant to agreements that are generally for monthly, quarterly or annual terms. Our customers have no obligation to renew their subscriptions after their subscription period expires, and these subscriptions may not be renewed on the same or on more profitable terms. As a result, our ability to retain our existing customers and grow depends in part on subscription renewals. We may not be able to accurately predict future trends in customer renewals, and our customers' renewal rates may decline or fluctuate because of several factors, including their satisfaction or dissatisfaction with our services, the cost of our services and the cost of services offered by our competitors, reductions in our customers' spending levels or the introduction by competitors of attractive features and functionality. If our customer retention rate decreases, we may need to increase the rate at which we add new customers in order to maintain and grow our revenue, which may require us to incur significantly higher advertising and marketing expenses than we currently anticipate, or our revenue may decline. If our customers do not renew their subscriptions for our services, renew on less favorable terms, or do not purchase additional functionality or subscriptions, our revenue may grow more slowly than expected or decline, and our profitability and gross margins may be harmed.

We depend on the experience and expertise of our founders, senior management team and key technical employees, and the loss of any key employee could have an adverse effect on our business, financial condition and results of operations.

Our success depends upon the continued service of our founders and senior management team and key technical employees, as well as our ability to continue to attract and retain additional highly qualified personnel. Each of our founders, executive officers, key technical personnel and other employees could terminate his or her relationship with us at any time. The loss of any of our founders or any other member of our senior management team or key personnel might significantly delay or prevent the achievement of our business objectives and could materially harm our business and our customer relationships. In addition, because of the nature of our business, the loss of any significant number of our existing engineering, project management and sales personnel could have an adverse effect on our business, financial condition and results of operations.

Our business and operations have experienced rapid growth and organizational change in recent periods, which has placed, and may continue to place, significant demands on our management and infrastructure. If we fail to manage our growth effectively and successfully recruit additional highly-qualified employees, we may be unable to execute our business plan, maintain high levels of service or address competitive challenges adequately.

We increased our number of full-time employees from 177 as of December 31, 2009, to 255 as of December 31, 2010 and to 312 as of December 31, 2011, and our revenue grew from $36.2 million in 2009 to $43.7 million in 2010 and was $63.6 million in 2011. Our headcount and operations have grown, both domestically and internationally, since our inception. This growth has placed, and will continue to place, a significant strain on our management, administrative, operational and financial infrastructure. We anticipate further growth will be required to address increases in our product and service offerings and continued international expansion. Our success will depend in part upon the ability of our senior management team to manage this growth effectively. To do so, we must continue to recruit, hire, train, manage and integrate a significant number of qualified managers, technical personnel and employees in specialized roles within our company, including in technology, sales and marketing. If our new employees perform poorly, or if we are unsuccessful in recruiting, hiring, training, managing and integrating these new employees, or retaining these or our existing employees, our business may suffer.

In addition, to manage the expected continued growth of our headcount, operations and geographic expansion, we will need to continue to improve our information technology infrastructure, operational, financial and management systems and procedures. Our expected additional headcount and capital investments will increase our costs, which will make it more difficult for us to address any future revenue shortfalls by reducing expenses in the short term. If we fail to successfully manage our growth we will be unable to successfully execute our business plan, which could have a negative impact on our business, financial condition or results of operations.

We may experience delays in product and service development, including delays beyond our control, which could prevent us from achieving our growth objectives and hurt our business.

Many of the problems, delays and expenses we may encounter may be beyond our control. Such problems may include, but are not limited to, problems related to the technical development of our products and services, problems with the infrastructure for the distribution and delivery of online media, the competitive environment in which we operate, marketing problems, consumer and advertiser acceptance and costs and expenses that may exceed current estimates. Problems, delays or expenses in any of these areas could have a negative impact on our business, financial conditions or results of operations.

Delays in the timely design, development, deployment and commercial operation of our product and service offerings, and consequently the achievement of our revenue targets and positive cash flow, could result from a variety of causes, including many causes that are beyond our control. Such delays include, but are not limited to, delays in the integration of new offers into our existing offering, changes to our products and services made to correct or enhance their features, performance or marketability or in response to regulatory developments or otherwise, delays encountered in the development, integration or testing of our products and services and the infrastructure for the distribution and delivery of online media and other systems, unsuccessful commercial launches of new products and services, delays in our ability to obtain financing, insufficient or ineffective marketing efforts and slower-than-anticipated consumer acceptance of our products. Delays in any of these matters could hinder or prevent our achievement of our growth objectives and hurt our business.

There is no assurance that the current cost of Internet connectivity and network access will not rise with the increasing popularity of online media services.

We rely on third-party service providers for our principal connections to the Internet and network access, and to deliver media to consumers. As demand for online media increases, there can be no assurance that Internet and network service providers will continue to price their network access services on reasonable terms. The distribution of online media requires delivery of digital content files and providers of network access and distribution may change their business models and increase their prices significantly, which could slow the widespread adoption of such services. In order for our services to be successful, there must be a reasonable price model in place to allow for the continuous distribution of digital media files. We have limited or no control over the extent to which any of these circumstances may occur, and if network access or distribution prices rise, our business, financial condition and results of operations would likely be adversely affected.

Failure of our infrastructure for the distribution and delivery of online media could adversely affect our business.

Our success as a business depends, in large part, on our ability to provide a consistently high-quality digital experience to consumers via our relationships and infrastructure for the distribution and delivery of online media generally. There is no guarantee that our relationships and infrastructure will not experience problems or other performance issues, which could seriously impair the quality and reliability of our delivery of digital media to end users. For example, we primarily use two content delivery networks, or CDNs, to deliver content to end users. If one or both of these CDNs were to experience sustained technical failures, it could cause delays in our service and we could lose customers. If we do not accurately predict our infrastructure capacity requirements, our customers could experience service outages or service degradation that may subject us to financial penalties and liabilities and result in customer losses. In the past we have, on limited occasions, suffered temporary interruptions of certain aspects of our service, including our customers' ability to upload new content into our system, our customers' ability to access administrative control of their accounts, and our ability to deliver content to end users in certain geographic locations. These service interruptions were the results of human error, hardware and software failures or failures of third-party networks. On a limited number of occasions, these service interruptions have required us to provide service credits to customers. We cannot guarantee that service interruptions will not occur again or predict the duration of interruptions of our service or the impact of such interruptions on our customers. Failures and interruptions of our service may impact our reputation, result in our payment of compensation or service credits to our customers, result in loss of customers and adversely affect our financial results and ability to grow our business. In addition, if our hosting infrastructure capacity fails to keep pace with increased sales or if our delivery capabilities fail, customers may experience delays as we seek to obtain additional capacity or enable alternative delivery capability, which could harm our reputation and adversely affect our revenue growth.

We may have difficulty scaling and adapting our existing infrastructure to accommodate increased traffic and storage, technology advances or customer requirements.

In the future, advances in technology, increases in traffic and storage, and new customer requirements may require us to change our infrastructure, expand our infrastructure or replace our infrastructure entirely. Scaling and adapting our infrastructure is likely to be complex and require additional technical expertise. If we are required to make any changes to our infrastructure, we may incur substantial costs and experience delays or interruptions in our service. These delays or interruptions may cause customers and partners to become dissatisfied with our service and move to competing providers of online publishing or distribution services. Our failure to accommodate increased traffic and storage, increased costs, inefficiencies or failures to adapt to new technologies or customer requirements and the associated adjustments to our infrastructure could harm our business, financial condition and results of operations.

We face significant competition and may be unsuccessful against current and future competitors. If we do not compete effectively, our operating results and future growth could be harmed.

We compete with other online video platforms and content app development platforms, as well as larger companies that offer multiple services, including those that may be used as substitute services for our products. Competition is already intense in these markets and, with the introduction of new technologies and market entrants, we expect competition to further intensify in the future. In addition, some of our competitors may make acquisitions, be acquired, or enter into strategic relationships to offer a more comprehensive service than we do. These combinations may make it more difficult for us to compete effectively. We expect these trends to continue as competitors attempt to strengthen or maintain their market positions.

Demand for our services is sensitive to price. Many factors, including our advertising, customer acquisition and technology costs, and our current and future competitors' pricing and marketing strategies, can significantly affect our pricing strategies. There can be no assurance that we will not be forced to engage in price-cutting initiatives, or to increase our advertising and other expenses to attract and retain customers in response to competitive pressures, either of which could have a material adverse effect on our revenue, operating results and resources.

We will likely encounter significant, growing competition in our business from many sources, including portals and digital media retailers, search engines, social networking and consumer-sharing services companies, broadband media distribution platforms, technology suppliers, direct broadcast satellite television service companies and digital and traditional cable systems. Many of our present and likely future competitors have substantially greater financial, marketing, technological and other resources than we do. Some of these companies may even choose to offer services competitive with ours at no cost as a strategy to attract or retain customers of their other services. If we are unable to compete successfully with traditional and other emerging providers of competing services, our business, financial condition and results of operations could be adversely affected.

We rely on software and services licensed from other parties. The loss of software or services from third parties could increase our costs and limit the features available in our products and services.

Components of our service and product offerings include various types of software and services licensed from unaffiliated parties. For example, some of our products incorporate software licensed from Adobe. If any of the software or services we license from others or functional equivalents thereof were either no longer available to us or no longer offered on commercially reasonable terms, we would be required to either redesign our services and products to function with software or services available from other parties or develop these components ourselves. In either case, the transition to a new service provider or an internally-developed solution could result in increased costs and could result in delays in our product launches and the release of new service and product offerings. Furthermore, we might be forced to temporarily limit the features available in our current or future products and services. If we fail to maintain or renegotiate any of these software or service licenses, we could face significant delays and diversion of resources in attempting to license and integrate functional equivalents.

If our software products contain serious errors or defects, then we may lose revenue and market acceptance and may incur costs to defend or settle claims.

Complex software applications such as ours often contain errors or defects, particularly when first introduced or when new versions or enhancements are released. Despite internal testing and testing by our customers, our current and future products may contain serious defects, which could result in lost revenue, lost customers, slower growth or a delay in market acceptance.

Since our customers use our products for critical business applications, such as online video, errors, defects or other performance problems could result in damage to our customers. They could seek significant compensation from us for the losses they suffer. Although our customer agreements typically contain provisions designed to limit our exposure to claims, existing or future laws or unfavorable judicial decisions could negate these limitations. Even if not successful, a claim brought against us would likely be time-consuming and costly and could seriously damage our reputation in the marketplace, making it harder for us to sell our products.

Unauthorized disclosure of data or unauthorized access to our service could adversely affect our business.

Any security breaches, unauthorized access, unauthorized usage, virus or similar breach or disruption could result in loss of confidential information, personal data and customer content, damage to our reputation, early termination of our contracts, litigation, regulatory investigations or other liabilities. If our security measures, or those of our partners or service providers, are breached as a result of third-party action, employee error, malfeasance or otherwise and, as a result, someone obtains unauthorized access to confidential information, personal data or customer content, our reputation will be damaged, our business may suffer or 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 or unauthorized disclosure of information 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 security breach occurs with respect to another software as a service, or SaaS, provider, our customers and potential customers may lose trust in the security of the SaaS business model generally, which could adversely impact our ability to retain existing customers or attract new ones.

We use a limited number of data centers and cloud computing services facilities to deliver our services. Any disruption of service at these facilities could harm our business.

We manage our services and serve all of our customers from three third-party data center facilities located in the United States and from a limited number of cloud computing services facilities located outside the United States. While we control the actual computer and storage systems upon which our platform runs, and deploy them to the data center facilities, we do not control the operation of these facilities.

The owners of these facilities have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, we may be required to transfer to new facilities, and we may incur significant costs and possible service interruption in connection with doing so.

Any changes in third-party service levels at these facilities or any errors, defects, disruptions or other performance problems at or related to these facilities that affect our services could harm our reputation and may damage our customers' businesses. Interruptions in our services might reduce our revenue, cause us to issue credits to customers, subject us to potential liability, and cause customers to terminate their subscriptions or harm our renewal rates.

These facilities are vulnerable to damage or service interruption resulting from human error, intentional bad acts, earthquakes, hurricanes, floods, fires, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures and similar events. The occurrence of a natural disaster or an act of terrorism, or vandalism or other misconduct, or a decision to close the facilities without adequate notice or other unanticipated problems could result in lengthy interruptions in our services.

Our business may be adversely affected by third-party claims, including by governmental bodies, regarding the content and advertising distributed through our service.

We rely on our customers to secure the rights to redistribute content over the Internet, and we do not screen the content that is distributed through our service. There is no assurance that our customers have licensed all rights necessary for distribution, including Internet distribution. Other parties may claim certain rights in the content of our customers.

In the event that our customers do not have the necessary distribution rights related to content, we may be required to cease distributing such content, or we may be subject to lawsuits and claims of damages for infringement of such rights. If these claims arise with frequency, the likelihood of our business being adversely affected would rise significantly. In some cases, we may have rights to indemnification or claims against our customers if they do not have appropriate distribution rights related to specific content items, however there is no assurance that we would be successful in any such claim.

We operate an "open" publishing platform and do not screen the content that is distributed through our service. Content may be distributed through our platform that is illegal or unlawful under international, federal, state or local laws or the laws of other countries. We may face lawsuits, claims or even criminal charges for such distribution, and we may be subject to civil, regulatory or criminal sanctions and damages for such distribution. Any such claims or investigations could adversely affect our business, financial condition and results of operations.

We could incur substantial costs as a result of any claim of infringement of another party's intellectual property rights.

In recent years, there has been significant litigation in the United States involving patents and other intellectual property rights. Companies providing Internet-related products and services are increasingly bringing and becoming subject to suits alleging infringement of proprietary rights, particularly patent rights. These risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims, some of whom have sent letters to and/or filed suit alleging infringement against some of our customers. We could incur substantial costs in prosecuting or defending any intellectual property litigation. Additionally, the defense or prosecution of claims could be time-consuming, and could divert our management's attention away from the execution of our business plan.

Moreover, any settlement or adverse judgment resulting from a claim could require us to pay substantial amounts or obtain a license to continue to use the technology that is the subject of the claim, or otherwise restrict or prohibit our use of the technology. There can be no assurance that we would be able to obtain a license from the third party asserting the claim on commercially reasonable terms, if at all, that we would be able to develop alternative technology on a timely basis, if at all, or that we would be able to obtain a license to use a suitable alternative technology to permit us to continue offering, and our customers to continue using, our affected product or service. In addition, we may be required to indemnify our customers for third-party intellectual property infringement claims, which would increase the cost to us. An adverse determination could also prevent us from offering our products or services to others. Infringement claims asserted against us may have an adverse effect on our business, financial condition and results of operations.

Our agreements with customers using premium editions of Video Cloud include contractual obligations to indemnify them against claims that our products infringe the intellectual property rights of third parties. The results of any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, may force us to do one or more of the following:

- cease selling or using products or services that incorporate the challenged intellectual property;
- make substantial payments for costs or damages;
- obtain a license, which may not be available on reasonable terms, to sell or use the relevant technology; or
- redesign those products or services to avoid infringement.

If we are required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement claims against us or any obligation to indemnify our customers for such claims, such payments or costs could have a material adverse effect upon our business and financial results.

Failure to adequately protect our intellectual property could substantially harm our business and operating results.

Because our business depends substantially on our intellectual property, the protection of our intellectual property rights is important to the success of our business. We rely upon a combination of trademark, patent, trade secret and copyright law and contractual restrictions to protect our intellectual property. These afford only limited protection. Despite our efforts to protect our property rights, unauthorized parties may attempt to copy aspects of our products, service, software and functionality or obtain and use information that we consider proprietary. Moreover, policing our proprietary rights is difficult and may not always be effective. In addition, we may need to enforce our rights under the laws of countries that do not protect proprietary rights to as great an extent as do the laws of the United States.

Litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights, to protect our patent rights, trade secrets, trademarks and domain names, and to determine the validity and scope of the proprietary rights of others. Such litigation or proceedings may be very costly and impact our financial performance. We may also incur substantial costs defending against frivolous litigation or be asked to indemnify our customers against the same. Our efforts to enforce or protect our proprietary rights may prove to be ineffective and could result in substantial costs and diversion of resources and could substantially harm our operating results.

Our exposure to risks associated with the use of intellectual property may increase as a result of acquisitions, as we have less opportunity to have visibility into the development process with respect to acquired technology or the care taken to safeguard against infringement risks. Third parties may make infringement and similar or related claims after we have acquired technology that had not been asserted prior to our acquisition.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

We have devoted substantial resources to the development of our technology, business operations and business plans. In order to protect our trade secrets and proprietary information, we rely in significant part on confidentiality agreements with our employees, licensees, independent contractors, advisers and customers. These agreements may not be effective to prevent disclosure of confidential information, including trade secrets, and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover trade secrets and proprietary information, and in such cases we would not be able to assert trade secret rights against such parties. To the extent that our employees and others with whom we do business use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Laws regarding trade secret rights in certain markets in which we operate may afford little or no protection to our trade secrets. The loss of trade secret protection could make it easier for third parties to compete with our products by copying functionality. In addition, any changes in, or unexpected interpretations of, the trade secret and other intellectual property laws in any country in which we operate may compromise our ability to enforce our trade secret and intellectual property rights. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

Potential future acquisitions could be difficult to integrate, divert the attention of key personnel, disrupt our business, dilute stockholder value and impair our financial results.

As part of our business strategy, we intend to consider acquisitions of companies, technologies and products that we believe could accelerate our ability to compete in our core markets or allow us to enter new markets. Acquisitions involve numerous risks, any of which could harm our business, including:

- difficulties in integrating the technologies, products, operations, existing contracts and personnel of a target company and realizing the anticipated benefits of the combined businesses;
- difficulties in supporting and transitioning customers, if any, of a target company;
- diversion of financial and management resources from existing operations;
- the price we pay or other resources that we devote may exceed the value we realize, or the value we could have realized if we had allocated the purchase price or other resources to another opportunity;

- risks of entering new markets in which we have limited or no experience;
- potential loss of key employees, customers and strategic alliances from either our current business or a target company's business; and
- inability to generate sufficient revenue to offset acquisition costs.

Acquisitions also frequently result in the recording of goodwill and other intangible assets which are subject to potential impairments in the future that could harm our financial results. In addition, if we finance acquisitions by issuing equity securities, our existing stockholders may be diluted. As a result, if we fail to properly evaluate acquisitions or investments, we may not achieve the anticipated benefits of any such acquisitions, and we may incur costs in excess of what we anticipate. The failure to successfully evaluate and execute acquisitions or investments or otherwise adequately address these risks could materially harm our business and financial results.

Our use of "open source" software could negatively affect our ability to sell our services and subject us to possible litigation.

A portion of the technology licensed by us incorporates "open source" software, and we may incorporate open source software in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses. If we fail to comply with these licenses, we may be subject to certain conditions, including requirements that we offer our services that incorporate the open source software for no cost, that we make available source code for modifications or derivative works we create based upon, incorporating or using the open source software and that we license such modifications or alterations under the terms of the particular open source license. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our services that contained the open source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of our services.

Fluctuations in the exchange rate of foreign currencies could result in currency transactions losses.

We currently have foreign sales denominated in Australian dollars, British pound sterling, euros, Japanese yen and Korean won and may, in the future, have sales denominated in the currencies of additional countries in which we establish or have established sales offices. In addition, we incur a portion of our operating expenses in euros and, to a lesser extent, other foreign currencies. Any fluctuation in the exchange rate of these foreign currencies may negatively impact our business, financial condition and operating results. We have not previously engaged in foreign currency hedging. If we decide to hedge our foreign currency exposure, we may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets.

We may be required to collect sales and use taxes on the services we sell in additional jurisdictions in the future, which may decrease sales, and we may be subject to liability for sales and use taxes and related interest and penalties on prior sales.

A successful assertion by one or more states that we should collect sales or other taxes on the sale of our services, or that we have failed to do so where required in the past, could result in substantial tax liabilities for past sales and decrease our ability to compete for future sales. Each state has different rules and regulations governing sales and use taxes and these rules and regulations are subject to varying interpretations that may change over time. We review these rules and regulations periodically and, when we believe our services are subject to sales and use taxes in a particular state, voluntarily engage state tax authorities in order to determine how to comply with their rules and regulations. We cannot assure you that we will not be subject to sales and use taxes or related penalties for past sales in states where we presently believe sales and use taxes are not due. We reserve estimated sales and use taxes in our financial statements but we cannot be certain that we have made sufficient reserves to cover all taxes that might be assessed.

Vendors of services, like us, are typically held responsible by taxing authorities for the collection and payment of any applicable sales and similar taxes. If one or more taxing authorities determines that taxes should have, but have not, been paid with respect to our services, we may be liable for past taxes in addition to being required to collect sales or similar taxes in respect of our services going forward. Liability for past taxes may also include substantial interest and penalty charges. Our client contracts typically provide that our clients must pay all applicable sales and similar taxes. Nevertheless, clients may be reluctant to pay back taxes and may refuse responsibility for interest or penalties associated with those taxes or we may determine that it would not be feasible to seek reimbursement. If we are required to collect and pay back taxes and the associated interest and penalties and if our clients do not reimburse us for all or a portion of these amounts, we will incur unplanned expenses that may be substantial. Moreover, imposition of such taxes on our services going forward will effectively increase the cost of such services to our clients and may adversely affect our ability to retain existing clients or to gain new clients in the areas in which such taxes are imposed.

Many states are also pursuing legislative expansion of the scope of goods and services that are subject to sales and similar taxes as well as the circumstances in which a vendor of goods and services must collect such taxes. Furthermore, legislative proposals have been introduced in Congress that would provide states with additional authority to impose such taxes. Accordingly, it is possible that either federal or state legislative changes may require us to collect additional sales and similar taxes from our clients in the future.

Government and industry regulation of the Internet is evolving and could directly restrict our business or indirectly affect our business by limiting the growth of our markets. Unfavorable changes in government regulation or our failure to comply with regulations could harm our business and operating results.

Federal, state and foreign governments and agencies have adopted and could in the future adopt regulations covering issues such as user privacy, content, and taxation of products and services. Government regulations could limit the market for our products and services or impose burdensome requirements that render our business unprofitable. Our products enable our customers to collect, manage and store a wide range of data. The United States and various state governments have adopted or proposed limitations on the collection, distribution and use of personal information. Several foreign jurisdictions, including the European Union and the United Kingdom, have adopted legislation (including directives or regulations) that increase or change the requirements governing data collection and storage in these jurisdictions. If our privacy or data security measures fail to comply with current or future laws and regulations, we may be subject to litigation, regulatory investigations or other liabilities, or our customers may terminate their relationships with us.

In addition, although many regulations might not apply to our business directly, we expect that laws regulating the solicitation, collection or processing of personal and consumer information could affect our customers' ability to use and share data, potentially reducing demand for our services. The Telecommunications Act of 1996 and the European Union Data Protection Directive along with other similar laws and regulations prohibit certain types of information and content from being transmitted over the Internet. The scope of this prohibition and the liability associated with a violation are currently unsettled. In addition, although substantial portions of the Communications Decency Act were held to be unconstitutional, we cannot be certain that similar legislation will not be enacted and upheld in the future. Legislation like the Telecommunications Act and the Communications Decency Act could dampen the growth in web usage and decrease its acceptance as a medium of communications and commerce. Moreover, if future laws and regulations limit our customers' ability to use and share consumer data or our ability to store, process and share data with our customers over the Internet, demand for our products could decrease, our costs could increase, and our results of operations and financial condition could be harmed.

In addition, taxation of services provided over the Internet or other charges imposed by government agencies or by private organizations for accessing the Internet may be imposed. Any regulation imposing greater fees for Internet use or restricting information exchange over the Internet could result in a decline in the use of the Internet and the viability of Internet-based services, which could harm our business and operating results.

Risks Relating to the Offering

An active trading market for our common stock may not develop, and you may not be able to resell your shares at or above the initial offering price.

Prior to this offering, there has been no public market for shares of our common stock. Although we anticipate that our common stock will be approved for listing on the NASDAQ Global Market, an active trading market for our shares may never develop or be sustained following this offering. The initial public offering price of our common stock will be determined through negotiations between us and the underwriters. This initial public offering price may not be indicative of the market price of our common stock after the offering. In the absence of an active trading market for our common stock, investors may not be able to sell their common stock at or above the initial public offering price or at the time that they would like to sell.

Our stock price may be volatile and the market price of our common stock after this offering may drop below the price you pay.

The market price of our common stock could be subject to significant fluctuations after this offering, and it may decline below the initial public offering price. Market prices for securities of early stage companies have historically been particularly volatile. As a result of this volatility, you may not be able to sell your common stock at or above the initial public offering price. Some, but not all, of the factors that may cause the market price of our common stock to fluctuate include:

- fluctuations in our quarterly or annual financial results or the quarterly or annual financial results of companies perceived to be similar to us or relevant for our business;
- changes in estimates of our financial results or recommendations by securities analysts;
- failure of our products to achieve or maintain market acceptance;
- changes in market valuations of similar or relevant companies;
- success of competitive service offerings or technologies;
- changes in our capital structure, such as the issuance of securities or the incurrence of debt;
- announcements by us or by our competitors of significant services, contracts, acquisitions or strategic alliances;
- regulatory developments in the United States, foreign countries, or both;
- litigation;
- additions or departures of key personnel;
- investors' general perceptions; and
- changes in general economic, industry or market conditions.

In addition, if the market for technology stocks, or the stock market in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition, or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and a distraction to management.

A significant portion of our total outstanding shares may be sold into the public market in the near future, which could cause the market price of our common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our common stock in the public market could occur at any time after the expiration of the lock-up agreements described in the "Underwriting" section of this prospectus. These sales or the market perception that the holder or holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. After this offering, we will have 26,375,037 shares of common stock outstanding based on the number of shares outstanding as of December 31, 2011. This includes the 5,000,000 shares that we are selling in this offering, which may be resold in the public market immediately. The remaining 21,375,037 shares, or 81.0%, of our outstanding shares after this offering, are currently restricted as a result of securities laws or lock-up agreements but will be able to be sold, subject to any applicable volume limitations under federal securities laws with respect to affiliate sales, in the near future as set forth below.

Number of Shares and % of Total Outstanding	Date Available for Sale Into Public Market
0 shares, or 0%	On the date of this prospectus
25,333,877 shares, or 98.5%	180 days after the date of this prospectus, subject to extension in specified instances, due to lock-up agreements between the holders of these shares and the underwriters. However, Morgan Stanley can waive the provisions of these lock-up agreements and allow these stockholders to sell their shares at any time

In addition, as of December 31, 2011, there were 46,713 shares subject to outstanding warrants, 3,986,706 shares subject to outstanding options, 171,712 shares of common stock issuable upon the exercise of stock options approved by our board of directors for grant effective upon the earlier of (a) the closing of this offering at an exercise price equal to the price to the public listed on the cover page of this prospectus or (b) a date determined by our board of directors that is no later than December 15, 2012 at an exercise price determined by our board of directors on the date of such determination, an additional 124,703 shares reserved for future issuance under our employee benefit plans that will become eligible for sale in the public market to the extent permitted by any applicable vesting requirements, the lock-up agreements and Rules 144 and 701 under the Securities Act of 1933, as amended, or the Securities Act. Additionally, in February 2012, our board of directors approved the 2012 Plan under which 1,700,000 shares of common stock are reserved for future issuance. Moreover, after this offering, holders of an aggregate of approximately 17,572,317 shares of our common stock as of December 31, 2011, will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We also intend to register all shares of common stock that we may issue under our employee benefit plans. Once we register these shares, they can be freely sold in the public market upon issuance, subject to the lock-up agreements and the restrictions imposed on our affiliates under Rule 144.

If securities or industry analysts do not publish, or cease publishing, research or reports about us, our business or our market, or if they adversely change their recommendations regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by research and reports that industry or security analysts may publish about us, our business, our market or our competitors. If any of the analysts who may cover us adversely change their recommendations regarding our stock, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

After the completion of this offering, we do not expect to declare any dividends in the foreseeable future.

After the completion of this offering, we do not anticipate declaring any dividends to holders of our common stock in the foreseeable future. Consequently, investors may need to rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking dividends should not purchase our common stock.

We may be unable to meet our future capital requirements, which could limit our ability to grow.

We believe our existing cash and cash equivalents will be sufficient to meet our anticipated working capital and capital expenditure needs over at least the next 12 months. We may, however, need, or could elect to seek, additional funding at any time. To the extent that funds generated by this offering, together with existing resources, are insufficient to fund our business operations, our future activities for the expansion of our service and our product offerings, developing and sustaining our relationships and infrastructure for the distribution and delivery of digital media online, marketing, and supporting our office facilities, we may need to raise additional funds through equity or debt financing. Additional funds may not be available on terms favorable to us or our stockholders. Furthermore, if we issue equity securities, our stockholders may experience additional dilution or the new equity securities may have rights, preferences and privileges senior to those of our existing classes of stock. If we cannot raise funds on acceptable terms, we may not be able to develop or enhance our products, take advantage of future opportunities or respond to competitive pressures or unanticipated requirements.

Our management has wide discretion in the use of the offering proceeds and may not apply these proceeds in a manner that will increase our revenue or market value.

Our management will have considerable discretion in the application of the proceeds of this offering, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The proceeds may be used for corporate purposes that do not increase our revenue or our market value.

Purchasers in this offering will incur immediate and substantial dilution in the book value of their investment as a result of this offering.

If you purchase common stock in this offering, you will incur immediate and substantial dilution of $8.70 per share, representing the difference between the assumed initial public offering price of $11.00 per share and our pro forma net tangible book value per share after giving effect to this offering and the automatic conversion of all outstanding shares of our preferred stock upon the closing of this offering. Moreover, we issued warrants and options in the past to acquire common stock at prices significantly below the assumed initial public offering price. As of December 31, 2011, there were 46,713 shares subject to outstanding warrants with an exercise price of $3.21 per share and 3,986,706 shares subject to outstanding options with a weighted-average exercise price of $3.76 per share. Additionally, there were 171,712 shares of common stock issuable upon the exercise of stock options approved by our board of directors for grant effective upon the earlier of (a) the closing of this offering at an exercise price equal to the price to the public listed on the cover page of this prospectus or (b) a date determined by our board of directors that is no later than December 15, 2012 at an exercise price determined by our board of directors on the date of such determination. To the extent that these outstanding warrants or options are ultimately exercised, you will incur further dilution.

Our independent registered public accounting firm has advised us that it has identified a material weakness in our internal control over financial reporting. Failure to achieve and maintain effective internal control over financial reporting could result in our failure to accurately report our financial results. Any inability to report and file our financial results accurately and timely could harm our business and adversely impact investor confidence in our company and, as a result, the value of our common stock.

In connection with the audit of our consolidated financial statements as of and for the year ended December 31, 2010, our independent registered public accounting firm reported to our audit committee that it had identified a material weakness in the design and operation of our internal control over financial reporting. Under standards established by the Public Company Accounting Oversight Board, a material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected and corrected on a timely basis. Specifically, our independent registered public accounting firm determined that we did not have adequate procedures and controls to ensure that stock-based compensation arrangements were appropriately accounted for under the guidance within Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, 718, *Compensation—Stock Compensation*, and FASB ASC 505, *Equity-Based Payments to Non-Employees.*

We concurred with the findings of our independent registered public accounting firm. We believe this material weakness has been remediated as of July 1, 2011. We have taken the following steps to remediate the underlying causes of the material weakness, including:

- prior to any stock option grants being recommended to the board for approval, our chief financial officer is responsible for reviewing the list of recommended awards;
- all stock-based awards granted by the board of directors are reviewed by our chief financial officer and corporate controller at the time of grant to ensure that they are appropriately identified as either an award to an employee or non-employee;
- our corporate controller is responsible for reviewing all equity award data uploaded within our third-party equity administration software application package; and
- our corporate controller is responsible for reviewing and approving all calculations and journal entries related to the accounting for non-employee variable stock option grants to ensure they are recorded in accordance with ASC 505.

In addition, we will need to evaluate our internal control over financial reporting in connection with Section 404 of the Sarbanes-Oxley Act for fiscal 2013, and our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting starting with our annual report for fiscal 2013. This assessment will need to include the disclosure of any material weaknesses in our internal control over financial reporting identified by our management, as well as our independent registered public accounting firm's attestation report on our internal control over financial reporting. We are just beginning the costly and challenging process of compiling the system and processing documentation needed to comply with such requirements. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. As discussed above, we have in the past identified a material weakness in our internal control over financial reporting, and although we believe we have remediated the material weakness, we cannot assure you that there will not be material weaknesses or significant deficiencies in our internal controls in the future. If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which could have a material adverse effect on the price of our common stock.

Immediately after this offering our two largest stockholders will likely continue to have effective control over our company.

As of December 31, 2011, our two largest stockholders, General Catalyst Partners and Accel Partners (and entities that are affiliated with them), beneficially owned, in the aggregate, shares representing approximately 52.8% of our outstanding capital stock. Following the completion of this offering, these stockholders will beneficially own an aggregate of approximately 42.7% of our outstanding common stock. As a result, these stockholders, if they elect to act together, will likely continue to have effective control over our management and affairs and other matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, such as mergers, consolidations or the sale of all or substantially all of our assets. Consequently, this concentration of ownership may have the effect of delaying or preventing a change in control, including a merger, consolidation or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control, even if such a change in control would benefit our other stockholders.

Anti-takeover provisions contained in our amended and restated certificate of incorporation and amended and restated bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our certificate of incorporation, bylaws, and Delaware law contain provisions that could have the effect of rendering more difficult or discouraging an acquisition deemed undesirable by our board of directors. Our corporate governance documents include provisions:

- authorizing blank check preferred stock, which could be issued with voting, liquidation, dividend, and other rights superior to our common stock;
- limiting the liability of, and providing indemnification to, our directors and officers;
- limiting the ability of our stockholders to call and bring business before special meetings and to take action by written consent in lieu of a meeting;
- requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our board of directors;
- controlling the procedures for the conduct and scheduling of board of directors and stockholder meetings;
- providing our board of directors with the express power to postpone previously scheduled annual meetings and to cancel previously scheduled special meetings;
- establishing a classified board of directors so that not all members of our board are selected at one time;
- limiting the determination of the number of directors on our board of directors and the filling of vacancies or newly created seats on the board to our board of directors then in office; and
- providing that directors may be removed by stockholders only for cause.

These provisions, alone or together, could delay hostile takeovers and changes in control of our company or changes in our management.

As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law, which prevents some stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding common stock. Any provision of our amended and restated certificate of incorporation or bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are wiling to pay for our common stock.

We record substantial expenses related to our issuance of stock options that may have a material adverse impact on our operating results for the foreseeable future.

We expect our stock-based compensation expenses will continue to be significant in future periods, which will have an adverse impact on our operating results. The model used by us requires the input of highly subjective assumptions, including the price volatility of the option's underlying stock. If facts and circumstances change and we employ different assumptions for estimating stock-based compensation expense in future periods, or if we decide to use a different valuation model, the future period expenses may differ significantly from what we have recorded in the current period and could materially affect the fair value estimate of stock-based payments, our operating income, net income and net income per share.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” contains forward-looking statements that are based on our management’s belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements in this prospectus include, but are not limited to, statements about:

- our ability to achieve profitability;
- our competitive position and the effect of competition in our industry;
- our ability to retain and attract new customers;
- our ability to penetrate existing markets and develop new markets for our services;
- our ability to retain or hire qualified accounting and other personnel;
- our ability to protect our intellectual property and operate our business without infringing upon the intellectual property rights of others;
- our ability to maintain the security and reliability of our systems;
- our estimates with regard to our future performance and total potential market opportunity;
- our estimates regarding our anticipated results of operations, future revenue, capital requirements and our needs for additional financing;
- our use of proceeds from this offering; and
- our goals and strategies.

In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “could,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “projects,” “potential,” “continue,” and similar expressions, or the negative of these terms, and similar expressions intended to identify forward-looking statements. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under “Risk Factors” and elsewhere in this prospectus. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement, of which this prospectus is a part, and any related free writing prospectus, completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

The forward-looking statements in this prospectus represent our views as of the date of this prospectus. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this prospectus.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of our shares of common stock in this offering will be approximately $40.4 million, based on an assumed initial public offering price of $11.00 per share, which is the mid-point of the estimated price range set forth on the cover of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses. If the underwriters' over-allotment option to purchase additional shares in this offering is exercised in full, we estimate that our net proceeds will be approximately $48.0 million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of $11.00 per share would increase (decrease) the net proceeds to us from this offering by approximately $4.7 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of one million shares in the number of shares of common stock offered by us would increase (decrease) the net proceeds to us from this offering by approximately $10.2 million, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The principal reasons for this offering are to obtain additional capital, to create a public market for our common stock and to facilitate our future access to public equity markets. We currently estimate that of the net proceeds we receive from this offering we will spend approximately $7.0 million to repay the outstanding principal under our credit facility with Silicon Valley Bank. Our credit facility with Silicon Valley Bank consists of an asset based line of credit with a maturity date of March 31, 2013, which accrues interest at the prime rate plus 1.5%, and a term loan line of credit that has a maturity date of 48 months from the date a term advance is made and which accrues interest at the prime rate plus 7%. We have used our credit facility for general working capital purposes and to secure a $2.4 million letter of credit for the lease of our corporate headquarters. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

We anticipate that we will use the remaining net proceeds we receive from this offering, including any net proceeds we receive from the exercise of the underwriters' over-allotment option, for working capital and other general corporate purposes, funding of our marketing activities and the costs of operating as a public company and further investment in the development of our proprietary technologies. We may use a portion of the net proceeds for the acquisition of businesses, products and technologies that we believe are complementary to our own, although we have no agreements or understandings with respect to any acquisition at this time. We have not allocated any specific portion of the remaining net proceeds to any particular purpose, and our management will have the discretion to allocate the proceeds as it determines. Pending these uses, we intend to invest the net proceeds to us from the offering in a variety of capital preservation investments, including short-term, investment-grade and interest-bearing instruments.

DIVIDEND POLICY

We have never declared or paid any dividends on our capital stock. We currently intend to retain any future earnings and do not intend to declare or pay cash dividends on our common stock in the foreseeable future. Any future determination to pay cash dividends will be, subject to applicable law, at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, prospects, contractual restrictions and capital requirements.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2011:

- on an actual basis;
- on a pro forma basis to give effect to the conversion of all outstanding shares of our preferred stock and warrants to purchase shares of our preferred stock into 16,150,505 shares of common stock and warrants to purchase 46,713 shares of common stock, respectively, upon the closing of this offering; and
- on a pro forma as adjusted basis to give further effect to our sale in this offering of 5,000,000 shares of our common stock at an assumed initial public offering price of $11.00 per share, which is the mid-point of the estimated price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, and after the application of a portion of the net proceeds of this offering to the repayment of certain of our outstanding indebtedness.

The information below is illustrative only and our capitalization following the closing of this offering will be based on the actual initial public offering price and other terms of this offering determined at pricing. You should read the following table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Capital Stock," and the consolidated financial statements and related notes appearing elsewhere in this prospectus.

	As of December 31, 2011		
	Actual	Pro Forma	Pro Forma, as Adjusted(1)
	(in thousands, except share and per share data)		
Cash and cash equivalents	$ 17,227	$ 17,227	$ 57,577
Current and long-term debt	7,000	7,000	—
Redeemable convertible preferred stock warrants	424	—	—
Redeemable convertible preferred stock	120,351	—	—
Stockholders' (deficit) equity:			
Undesignated preferred stock, $0.001 par value: No shares authorized, issued or outstanding, actual and pro forma; 5,000,000 shares authorized and no shares issued or outstanding, pro forma as adjusted	—	—	—
Common stock, $0.001 par value; 68,000,000 shares authorized, actual and pro forma; 5,224,532 shares issued and outstanding, actual and 21,375,037 shares issued and outstanding, pro forma; 100,000,000 shares authorized and 26,375,037 shares issued and outstanding, pro forma as adjusted(2)	5	21	26
Additional paid-in capital	—	106,141	153,486
Accumulated other comprehensive income	1,056	1,056	1,056
Accumulated deficit	(107,254)	(92,636)	(92,636)
Total stockholders' (deficit) equity attributable to Brightcove Inc.	(106,193)	14,582	61,932
Non-controlling interest in consolidated subsidiary	1,108	1,108	1,108
Total stockholders' (deficit) equity	(105,085)	15,690	63,040
Total cash and cash equivalents and capitalization	$ 39,917	$ 39,917	$ 120,617

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $11.00 per share, which is the mid-point of the estimated price range set forth on the cover page of this prospectus, would increase

(decrease) the amount of cash and cash equivalents, additional paid-in capital, total stockholders' equity (deficit) and total capitalization by approximately $4.7 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of one million shares in the number of shares of common stock offered by us would increase (decrease) cash and cash equivalents, and additional paid-in capital, total stockholders' equity (deficit) and total capitalization by approximately $10.2 million, assuming the assumed initial public offering price remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

(2) The number of shares of our common stock outstanding set forth in the table is based on 21,375,037 shares outstanding as of December 31, 2011 and excludes (i) 3,986,706 shares of common stock issuable upon exercise of outstanding options as of December 31, 2011 at a weighted-average exercise price of $3.76 per share, (ii) 46,713 shares of common stock issuable upon the exercise of warrants outstanding as of December 31, 2011 with a weighted-average exercise price of $3.21 per share, (iii) 124,703 shares of our common stock reserved for future issuance under the 2004 Plan as of December 31, 2011, (iv) 171,712 shares of common stock issuable upon the exercise of stock options approved by our board of directors for grant effective upon the earlier of (a) the closing of this offering at an exercise price equal to the price to the public listed on the cover page of this prospectus or (b) a date determined by our board of directors that is no later than December 15, 2012 at an exercise price determined by our board of directors on the date of such determination and (v) 1,700,000 shares of common stock reserved for future issuance under the 2012 Plan.

DILUTION

If you invest in our common stock in this offering, your 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 net tangible book value per share of our common stock immediately after this offering.

Our net tangible book value of our common stock, as of December 31, 2011, was $12.9 million, or $2.47 per share. The net tangible book value per share represents our total tangible assets less our total liabilities, divided by the number of shares of outstanding common stock before giving effect to the conversion of all outstanding shares of preferred stock into shares of our common stock upon the completion of this offering. If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the net tangible book value per share of our common stock after this offering.

After giving effect to (i) the automatic conversion of all outstanding preferred stock into common stock immediately prior to completion of this offering and (ii) our sale of 5,000,000 shares of common stock in this offering at an assumed initial public offering price of $11.00 per share, which is the mid-point of the estimated price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses, our pro forma net tangible book value as of December 31, 2011 would have been approximately $60.7 million, or $2.30 per share of common stock. This represents an immediate increase in net tangible book value of $1.68 per share to existing stockholders and an immediate dilution in net tangible book value of $8.70 per share to purchasers of common stock in this offering, as illustrated in the following table:

Assumed initial public offering price per share		$11.00
Pro forma net tangible book value per share as of December 31, 2011	$0.62	
Increase per share attributable to this offering	1.68	
Pro forma as adjusted net tangible book value per share after giving effect to this offering		$ 2.30
Dilution per share to new investors		$ 8.70

A $1.00 increase (decrease) in the assumed initial public offering price of $11.00 per share would increase (decrease) the pro forma as adjusted net tangible book value by approximately $0.18 per share and the dilution to new investors by approximately $0.82 per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated expenses payable by us.

If the underwriters exercise their over-allotment option in full, the pro forma as adjusted net tangible book value per share of our common stock would be $2.52 per share, the increase in pro forma net tangible book value per share to existing stockholders would be $1.90 per share, and the dilution per share to investors would be $8.48 per share of common stock, in each case assuming an initial public offering price of $11.00 per share, which is the mid-point of the estimated price range set forth on the cover page of this prospectus.

The following table summarizes, on a pro forma basis, as of December 31, 2011, the difference between the number of shares of common stock purchased from us, the total consideration paid to us and the average price per share paid by existing stockholders and by new investors at an assumed initial public offering price of $11.00 per share, the mid-point of the price range set forth on the cover of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders	21,375,037	81%	$ 95,039,466	63%	$ 4.45
New investors	5,000,000	19%	55,000,000	37%	$ 11.00
Total	26,375,037	100%	$150,039,466	100%	$ 5.69

The above discussion and tables are based on 5,224,532 shares of common stock issued and outstanding as of December 31, 2011 and also reflects the conversion of all outstanding shares of our preferred stock into an aggregate of 16,150,505 shares of our common stock upon the completion of this offering and excludes:

- 3,986,706 shares of common stock issuable upon the exercise of stock options outstanding as of December 31, 2011 with a weighted-average exercise price of $3.76 per share;
- 46,713 shares of common stock issuable upon the exercise of warrants outstanding as of December 31, 2011 with a weighted-average exercise price of $3.21 per share;
- 124,703 shares of common stock reserved for future issuance under the 2004 Plan as of December 31, 2011;
- 171,712 shares of common stock issuable upon the exercise of stock options approved by our board of directors for grant effective upon the earlier of (a) the closing of this offering at an exercise price equal to the price to the public listed on the cover page of this prospectus or (b) a date determined by our board of directors that is no later than December 15, 2012 at an exercise price determined by our board of directors on the date of such determination; and
- 1,700,000 shares of common stock reserved for future issuance under the 2012 Plan.

To the extent that outstanding options or warrants are exercised and restricted stock grants vest, you will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities may result in further dilution to our stockholders.

SELECTED CONSOLIDATED FINANCIAL DATA

You should read the following selected consolidated financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements, related notes and other financial information included elsewhere in this prospectus. The selected consolidated financial data in this section are not intended to replace the consolidated financial statements and are qualified in their entirety by the consolidated financial statements and related notes included elsewhere in this prospectus.

The consolidated statements of operations data for the years ended December 31, 2009, 2010 and 2011 and the consolidated balance sheet data as of December 31, 2010 and 2011 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statements of operations data for the years ended December 31, 2007 and 2008 and the consolidated balance sheet data as of December 31, 2007, 2008 and 2009 are derived from our audited consolidated financial statements not included in this prospectus. Our historical results are not necessarily indicative of the results to be expected in the future.

	Year Ended December 31,				
	2007	2008	2009	2010	2011
	(in thousands, except per share data)				
Consolidated statements of operations data:					
Revenue:					
Subscription and support revenue	$ 8,061	$22,432	$32,240	$ 40,521	$ 60,169
Professional services and other revenue	472	2,068	3,947	3,195	3,394
Total revenue	8,533	24,500	36,187	43,716	63,563
Cost of revenue:(1)					
Cost of subscription and support revenue	4,635	6,070	6,986	11,060	15,478
Cost of professional services and other revenue	721	2,916	3,463	4,065	4,744
Total cost of revenue	5,356	8,986	10,449	15,125	20,222
Gross profit	3,177	15,514	25,738	28,591	43,341
Operating expenses:(1)					
Research and development	8,398	7,756	8,927	12,257	15,267
Sales and marketing	9,365	11,542	13,218	24,124	31,564
General and administrative	6,168	5,970	6,696	9,617	12,640
Total operating expenses	23,931	25,268	28,841	45,998	59,471
Loss from operations	(20,754)	(9,754)	(3,103)	(17,407)	(16,130)
Other income (expense):					
Interest income	2,177	918	313	185	23
Interest expense	—	—	—	—	(358)
Other (expense) income, net	(26)	(1,388)	22	(503)	(719)
Total other income (expense), net	2,151	(470)	335	(318)	(1,054)

	Year Ended December 31,				
	2007	2008	2009	2010	2011
	(in thousands, except per share data)				
Loss before income taxes and non-controlling interest in consolidated subsidiary	(18,603)	(10,224)	(2,768)	(17,725)	(17,184)
Provision for income taxes	—	11	55	56	90
Consolidated net loss	(18,603)	(10,235)	(2,823)	(17,781)	(17,274)
Net loss (income) attributable to non-controlling interest in consolidated subsidiary	—	305	478	280	(361)
Net loss attributable to Brightcove Inc.	(18,603)	(9,930)	(2,345)	(17,501)	(17,635)
Accretion of dividends on redeemable convertible preferred stock	(4,774)	(4,919)	(4,918)	(5,470)	(5,639)
Net loss attributable to common stockholders	$(23,377)	$(14,849)	$(7,263)	$(22,971)	$(23,274)
Net loss per share attributable to common stockholders—basic and diluted	$ (7.91)	$ (3.98)	$ (1.70)	$ (4.98)	$ (4.75)
Weighted-average number of common shares used in computing net loss per share attributable to common stockholders—basic and diluted	2,954	3,728	4,276	4,612	4,900
Pro forma net loss per share attributable to common stockholders—basic and diluted(2)					$ (0.84)
Pro forma weighted-average number of common shares used in computing net loss per share attributable to common stockholders—basic and diluted(2)					21,051

	Year Ended December 31,				
	2007	2008	2009	2010	2011
	(in thousands)				
(1) Stock-based compensation included in above line items:					
Cost of subscription and support revenue	$ 2	$ 21	$ 21	$ 26	$ 52
Cost of professional services and other revenue	1	22	36	99	117
Research and development	69	99	125	369	367
Sales and marketing	100	82	102	1,459	1,008
General and administrative	67	114	224	1,362	2,653

(2) The calculation of pro forma net loss per share attributable to common stockholders does not give effect to the number of shares issued in this offering whose proceeds will be used to repay certain of our outstanding indebtedness as the impact would not be materially different from the amounts presented.

	As of December 31,				
	2007	2008	2009	2010	2011
	(in thousands)				
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 10,928	$ 24,176	$ 22,554	$ 20,341	$ 17,227
Property and equipment, net	1,555	2,014	3,355	4,706	6,079
Working capital	25,152	24,046	21,054	17,263	10,204
Total assets	43,387	40,425	40,255	41,984	47,338
Current and long-term debt	—	—	—	—	7,000
Redeemable convertible preferred stock warrants	75	85	99	285	424
Redeemable convertible preferred stock	85,300	91,013	96,725	114,404	120,351
Total stockholders' deficit	(49,005)	(60,524)	(66,855)	(86,937)	(105,085)

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes that appear elsewhere in this prospectus. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results may differ materially from those discussed in these forward-looking statements due to a number of factors, including those set forth in the section entitled "Risk Factors" and elsewhere in this prospectus. See "Special Note Regarding Forward-Looking Statements."

Company Overview

Brightcove is a leading global provider of cloud-based solutions for publishing and distributing professional digital media. Brightcove Video Cloud, or Video Cloud, our flagship product released in 2006, is the world's leading online video platform. As of December 31, 2011, we had 3,872 customers in over 50 countries, including many of the world's leading media, retail, technology and financial services companies, as well as governments, educational institutions and non-profit organizations. In 2011, our customers used Video Cloud to deliver an average of approximately 743 million video streams per month, which we believe is more video streams per month than any other professional solution.

Video Cloud enables our customers to publish and distribute video to Internet-connected devices quickly, easily and in a cost-effective and high-quality manner. Our innovative technology and intuitive user interface give customers control over a wide range of features and functionality needed to publish and deliver a compelling user experience, including content management, format conversion, video player styling, distributed caching, advertising insertion, content protection and distribution to diverse device types and multiple websites, including their own websites, partner websites and social media sites. Video Cloud also includes comprehensive analytics that allow customers to understand and refine their engagement with end users.

We were incorporated in Delaware in August 2004 and our headquarters are in Cambridge, Massachusetts. In February 2006 we began generating revenue through our sale of Video Cloud. By the end of 2006, we had 106 employees and 59 customers. In November 2009, we launched the Express edition of our Video Cloud product. In May 2011, we announced the initial release of Brightcove App Cloud, or App Cloud. We made our first commercial sale of App Cloud in September 2011 and made App Cloud generally commercially available in November 2011. App Cloud is a software application development and management platform designed to help customers publish and distribute video and other professional digital media through software applications, which we refer to as content apps, across multiple Internet-connected devices.

As of December 31, 2010, we had 255 employees and 2,469 customers, of which 1,564 used our Express edition of Video Cloud and 905 used our premium editions of Video Cloud. As of December 31, 2011, we had 312 employees and 3,872 customers, of which 2,571 used our Express edition of Video Cloud and 1,301 used our premium editions of Video Cloud.

We have generated substantially all of our revenue to date by offering our Video Cloud product to customers on a subscription-based, software as a service, or SaaS, model. Our revenue grew from $24.5 million in the fiscal year ended December 31, 2008 to $63.6 million in the fiscal year ended December 31, 2011 and the number of customers using our solutions grew from 549 as of December 31, 2008 to 3,872 as of December 31, 2011. Our consolidated net loss was $17.8 million for the fiscal year ended December 31, 2010, compared with $17.3 million for the fiscal year ended December 31, 2011.

We have signed a new lease for over 80,000 square feet of office space in Boston, Massachusetts. We expect to move into these new headquarters on April 1, 2012. We have sales and marketing offices in New York, New York; London, England; Paris, France; Hanover, Germany; Barcelona, Spain; Tokyo, Japan; Sydney, Australia; Seoul, South Korea; and Singapore, and a research and development office in Seattle, Washington.

For the years ended December 31, 2010 and 2011, our net revenue derived from customers located outside North America was 32% and 34%, respectively. We expect the percentage of total net revenue derived from outside North America to increase in future periods as we continue to expand our international operations.

Our philosophy for the next few years will continue to be to invest for long term growth. We believe these investments will help us address some of the challenges facing our business such as demand for our products by customers and potential customers, rapid technological change in our industry, increased competition and resulting price sensitivity. For additional information on these and other risks to our business, see the section entitled "Risk Factors." These investments include support for the expansion of our infrastructure within our hosting facilities, the hiring of additional technical and sales personnel, and the innovation of new features for Video Cloud and new products such as App Cloud. We believe these investments will help us retain our existing Video Cloud customers and lead to the acquisition of new customers for both Video Cloud and App Cloud. As a result of our investment philosophy, we expect to incur operating losses on an annual basis through at least the end of 2012. In addition, we will incur incremental public company expenses related to reporting and compliance. However, we believe these investments will result in increased retention and expansion of our customer base and the resulting revenues. Additionally, we believe this customer growth will enable us to achieve economies of scale which will reduce our cost of goods sold, research and development and general and administrative expenses as a percentage of total revenues.

Key Metrics

We regularly review a number of metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions.

- *Number of Customers.* We define our number of customers at the end of a particular quarter as the number of customers generating subscription revenue during the period, plus customers who have committed a minimum level of revenue to us for use of our products. We believe the number of customers is a key indicator of our market penetration in the online video platform market, the productivity of our sales organization and the value that our products bring to both large and small organizations. The number of customers subscribing to our Video Cloud product is particularly important to monitor given that we expect revenue from Video Cloud to continue to represent a significant portion of our total revenue, and we are investing significantly to support our sales of this product in a new and rapidly evolving market.

  During 2010, the number of customers increased 185%, and during 2011, the number of customers increased 57%. Most of the increase was a result of 2010 being the first full year in which we offered the Express edition of Video Cloud, which was introduced in November of 2009. During these periods, we experienced an increase in revenue from Video Cloud, which made up substantially all revenue through December 31, 2011. As of December 31, 2011, we had 3,872 customers, of which 2,571 used our Express edition of Video Cloud and 1,301 used our premium editions of Video Cloud. For more information about our customers, see "Business—Our Customers."

- *Average Monthly Streams.* We define average monthly streams as the year-to-date average number of monthly stream starts on Video Cloud. We believe the average number of monthly streams is a key indicator of both the adoption of Video Cloud as an online video platform and the growth of video content across the Internet. We also expect growth in streams will be driven, in part, by improvements in products and features that drive traffic to our customers' websites and growth in the number of customers.

  In the year ended December 31, 2011, the average number of monthly streams was approximately 743 million, which represents 56% growth over the year ended December 31, 2010, reflecting increased viewership of our customers' video content.

- *Recurring Dollar Retention Rate.* We believe that our ability to retain our customers is an indicator of the stability of our revenue base and the long-term value of our customer relationships. We assess our performance in this area using a metric we refer to as our recurring dollar retention rate. We calculate the recurring dollar retention rate by dividing the retained recurring value of subscription revenue for a period by the previous recurring value of subscription revenue for the same period. We define retained recurring value of subscription revenue as the committed subscription fees for all contracts that renew in a given period. We define previous recurring value of subscription revenue as the recurring value from committed subscription fees for all contracts that expire in that same period. We typically calculate our recurring dollar retention rate on a monthly basis.

In the year ended December 31, 2010, the recurring dollar retention rate was 88% compared with 93% for the year ended December 31, 2011. This recurring dollar retention rate provides visibility into our ongoing revenue. We did not calculate recurring dollar retention rate prior to December 31, 2009 in part because there were no renewals of our Express customers prior to that date.

The following table includes our key metrics for the periods presented:

	Years Ended December 31,		
	2009	2010	2011
Key Metrics			
Customers (at period end):			
Express	143	1,564	2,571
Premium	723	905	1,301
Total customers (at period end)	866	2,469	3,872
Average monthly year to date streams (in thousands)	313,262	475,450	742,965
Recurring dollar retention rate	—	88%	93%

Components of Consolidated Statements of Operations

Revenue

Subscription and Support Revenue—We generate subscription and support revenue from the sale of our on-demand online video platform called Video Cloud. Video Cloud allows customers to publish and distribute video and other professional digital media across Internet-connected devices. Video Cloud is offered in two product lines. The first product line is comprised of our premium product editions: Enterprise and Pro. The Enterprise edition provides additional features and functionality such as a multi-account environment with consolidated billing, IP address filtering, the ability to produce live events with DVR functionality and advanced upload acceleration of content. Customer arrangements are typically one year contracts, which include a subscription to our platform, basic support and a pre-determined amount of bandwidth. We also offer gold support to our premium customers for an additional fee, which includes extended phone support. The pricing for our premium editions is based on the number of users, accounts and usage, which is comprised of video streams, bandwidth and managed content.

Our second product line is our Express edition, which targets small and medium-sized businesses, or SMBs. The Express edition provides customers with the same basic functionality that is offered in our premium product editions but has been designed for customers who have lower usage requirements and do not typically seek advanced features and functionality. Customers who purchase the Express edition generally enter into month-to-month agreements. Express customers are generally billed on a monthly basis and pay via a credit card, or they are billed annually in advance.

Professional Services and Other Revenue—Professional Services and Other Revenue consists of services such as implementation, software customizations and project management for customers who subscribe to our premium editions. These arrangements are typically priced on a fixed fee basis with a portion due upon contract signing and the remainder due when the related services have been completed.

Our backlog consists of the total future value of our committed customer contracts, whether billed or unbilled. As of December 31, 2011, we had backlog of approximately $43 million compared to backlog of approximately $28 million as of December 31, 2010. Of the approximately $43 million in backlog as of December 31, 2011, approximately $37 to $39 million is expected to be recognized as revenue during the fiscal year ended December 31, 2012. Because revenue for any period is a function of revenue recognized from backlog at the beginning of the period as well as from contract renewals and new customer contracts executed during the period, backlog at the beginning of any period is not necessarily indicative of future performance. Our presentation of backlog may differ from that of other companies in our industry.

Cost of Revenue

Cost of subscription, support and professional services revenue primarily consists of costs related to supporting and hosting our product offerings and delivering our professional services. These costs include salaries, benefits, incentive compensation and stock-based compensation expense related to the management of our data centers, our customer support team and our professional services staff. In addition to these expenses, we incur third-party service provider costs such as data center and networking expenses, allocated overhead, depreciation expense and amortization of capitalized internal-use software development costs. We allocate overhead costs such as rent, utilities and supplies to all departments based on relative headcount. As such, general overhead expenses are reflected in cost of revenue in addition to each operating expense category.

The costs associated with providing professional services are significantly higher as a percentage of related revenue than the costs associated with delivering our subscription and support services due to the labor costs of providing professional services. As such, the implementation and professional services costs relating to an arrangement with a new customer are more significant than the costs to renew a customer's subscription and support arrangement.

Cost of revenue increased in absolute dollars from both fiscal 2009 to fiscal 2010 and fiscal 2010 to fiscal 2011. In future periods we expect our cost of revenue will increase in absolute dollars as our revenue increases. We also expect that cost of revenue as a percentage of revenue will decrease over time as we are able to achieve economies of scale in our business. However, cost of revenue as a percentage of revenue could fluctuate from period to period depending on the growth of our professional services business and any associated costs relating to the delivery of subscription services and the timing of significant expenditures. To the extent that our customer base grows, we intend to continue to invest additional resources in expanding the delivery capability of our products and other services. The timing of these additional expenses could affect our cost of revenue, both in terms of absolute dollars and as a percentage of revenue, in any particular quarterly or annual period.

Operating Expenses

We classify our operating expenses as follows:

Research and Development. Research and development expenses consist primarily of personnel and related expenses for our research and development staff, including salaries, benefits, incentive compensation and stock-based compensation, in addition to the costs associated with contractors and allocated overhead. We have focused our research and development efforts on expanding the functionality and scalability of our products and enhancing their ease of use, as well as creating new product offerings. We expect research and development expenses to increase in absolute dollars as we intend to continue to periodically release new features and functionality, expand our product offerings, continue the localization of our products in various languages, upgrade and extend our service offerings, and develop new technologies. Over the long term, we believe that research and development expenses as a percentage of revenue will decrease, but will vary depending upon the mix of revenue from new and existing products, features and functionality, as well as changes in the technology that our products must support, such as new operating systems or new Internet-connected devices.

Sales and Marketing. Sales and marketing expenses consist primarily of personnel and related expenses for our sales and marketing staff, including salaries, benefits, incentive compensation, commissions, stock-based compensation and travel costs, in addition to costs associated with marketing and promotional events, corporate communications, advertising, other brand building and product marketing expenses and allocated overhead. Our sales and marketing expenses have increased in absolute dollars in each of the last three years. The increase in sales and marketing expenses as a percentage of revenue is primarily due to our substantial investments in obtaining and retaining customers. We intend to continue to invest in sales and marketing and increase the number of sales representatives to add new customers and expand the sale of our product offerings within our existing customer base, build brand awareness and sponsor additional marketing events. Accordingly, in future periods we expect sales and marketing expense to increase in absolute dollars and continue to be our most significant operating expense. Over the long term, we believe that sales and marketing expense as a percentage of revenue will decrease, but will vary depending upon the mix of revenue from new and existing customers and from small, medium-sized and enterprise customers, as well as changes in the productivity of our sales and marketing programs.

General and Administrative. General and administrative expenses consist primarily of personnel and related expenses for executive, legal, finance, information technology and human resources functions, including salaries, benefits, incentive compensation and stock-based compensation, in addition to the costs associated with professional fees, insurance premiums, other corporate expenses and allocated overhead. In future periods we expect general and administrative expenses to increase in absolute dollars as we continue to incur additional personnel and professional services costs in order to meet the compliance requirements of operating as a public company, including those costs incurred in connection with Section 404 of the Sarbanes-Oxley Act. We currently anticipate that we will be required to comply with Section 404 of the Sarbanes-Oxley Act for the year ending December 31, 2013. Over the long term, we believe that general and administrative expenses as a percentage of revenue will decrease.

Other Income (Expense)

Other income (expense) consists primarily of interest income earned on our cash and cash equivalents, foreign exchange gains and losses, interest expense payable on our debt, changes in the fair value of the warrants issued in connection with a line of credit and income (loss) recorded upon the sale of long-term investments.

Non-Controlling Interest

Our results include a non-controlling interest in our majority-owned subsidiary, Brightcove Kabushiki Kaisha, or Brightcove KK. Brightcove KK is a Japanese joint venture which was formed on July 18, 2008. We own 63% of the entity. The non-controlling interest in Brightcove KK is reported as a separate component of stockholders' equity (deficit) in our consolidated balance sheet. The portion of net income (loss) attributable to non-controlling interests is presented as net income (loss) attributable to non-controlling interests in consolidated subsidiary in our consolidated statements of operations, and the portion of the other comprehensive loss of this subsidiary is presented in the consolidated statements of stockholders' equity (deficit) and comprehensive loss.

Income Taxes

As part of the process of preparing our consolidated financial statements we are required to estimate our taxes in each of the jurisdictions in which we operate. We account for income taxes in accordance with the asset and liability method. Under this method, deferred tax assets and liabilities are recognized based on temporary differences between the financial reporting and income tax bases of assets and liabilities using statutory rates. In addition, this method requires a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. We have provided a full valuation allowance against our net deferred tax assets at December 31, 2010 and 2011.

Stock-Based Compensation Expense

Our cost of revenue, research and development, sales and marketing, and general and administrative expenses include stock-based compensation expense. Stock-based compensation expense represents the fair value of outstanding stock options and restricted stock awards, which are recognized over the respective stock option and restricted stock award service periods. During 2009, 2010 and 2011, we recorded $508,000, $3.3 million and $4.2 million, respectively, of stock-based compensation expense. The increase in stock-based compensation expense is primarily related to an increase in the fair market value of our common stock. We expect stock-based compensation expense to increase in absolute dollars in future periods.

Foreign Currency Translation

With regard to our international operations, we frequently enter into transactions in currencies other than the U.S. dollar. As a result, our revenues, expenses and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the euro, British pound, Australian dollar, and Japanese yen. In 2009, 2010 and 2011, approximately 28%, 32% and 34%, respectively, of our revenue was generated in locations outside the United States. During the same periods, 26%, 30% and 28%, respectively, of our revenue was in currencies other than the U.S. dollar, as are some of the associated expenses. In periods when the U.S. dollar declines in value as compared to the foreign currencies in which we conduct business, our foreign currency-based revenues and expenses generally increase in value when translated into U.S. dollars. We expect our foreign currency-based revenue to increase in absolute dollars and as a percentage of total revenue.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

We believe that the following significant accounting policies, which are more fully described in the notes to our consolidated financial statements included elsewhere in this prospectus, involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our financial condition and results of operations.

Revenue Recognition

We primarily derive revenue from the sale of our on-demand application service to our internet video platform, which provides customers the right to access our hosted software applications for uploading, managing, distributing, and monetizing our video assets. Revenue is derived from three primary sources: (1) the subscription of our technology and related support; (2) hosting and bandwidth services; and (3) professional services, which include initiation, set-up and customization services.

We recognize revenue when all of the following conditions are satisfied: (1) there is persuasive evidence of an arrangement; (2) the service has been provided to the customer; (3) the collection of fees is probable; and (4) the amount of fees to be paid by the customer is fixed or determinable.

Our subscription arrangements provide customers the right to access our hosted software applications. Customers do not have the right to take possession of our software during the hosting arrangement. Accordingly, we recognize revenue in accordance with Accounting Standards Codification (ASC) 605, *Revenue Recognition*. Contracts for premium customers generally have a term of one year and are non-cancellable. These contracts generally provide the customer with a maximum annual level of usage, and provide the rate at which the customer must pay for actual usage above the annual allowable usage. For these services, we recognize the annual fee ratably as revenue each month. Should a customer's usage of our services exceed the annual allowable level, revenue is recognized for such excess in the period of the usage. Contracts for our Express customers are generally month-to-month arrangements, have a maximum monthly level of usage and provide the rate at which the customer must pay for actual usage above the monthly allowable usage. The monthly Express subscription and support and usage fees are recognized as revenue during the period in which the related cash is collected.

Revenue recognition commences upon the later of when the application is placed in a production environment, or when all revenue recognition criteria have been met. Professional services and other revenue sold on a stand-alone basis are recognized upon final delivery. Deferred revenue includes amounts billed to customers for which revenue has not been recognized, and primarily consists of the unearned portion of annual software subscription and maintenance and support fees, and deferred initiation and professional service fees. Revenue is presented net of any taxes collected from customers.

We periodically enter into multi-element service arrangements that include platform subscription fees, support fees, initiation fees, and, in certain cases, other professional services. Prior to January 1, 2011, when we entered into such arrangements, each element was accounted for separately over our respective service period, provided that each element had value to the customer on a stand-alone basis, and there was objective and reliable evidence of fair value for the separate elements. If these criteria could not be objectively met or determined, the total value of the arrangement was generally recognized ratably as a single unit of accounting over the entire service period to the extent that all services had begun to be provided at the outset of the period. For multi-element service arrangements entered into through December 31, 2010, we were unable to separately account for the different elements because we did not have objective and reliable evidence of fair value for certain of our deliverables. Therefore, all revenue under these arrangements has been recognized ratably over the contract term.

Initiation fees and other professional services charged when services are first activated were recorded as deferred revenue, and recognized as revenue ratably over a term beginning upon go-live of the software application and extending through the contract term.

In October 2009, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2009-13, *Revenue Recognition (Topic 605), Multiple-Deliverable Revenue Arrangements—a consensus of the FASB Emerging Issues Task Force*, which amended the previous multiple-element arrangements accounting guidance. Pursuant to the new guidance, objective and reliable evidence of fair value of the undelivered elements is no longer required in order to account for deliverables in a multiple-deliverable arrangement separately. Instead, arrangement consideration is allocated to deliverables based on their relative selling price. The new guidance also eliminates the use of the residual method.

Effective January 1, 2011, we adopted this new accounting guidance on a prospective basis. We applied the new accounting guidance to those multiple-element arrangements entered into, or materially modified, on or after January 1, 2011, which is the beginning of our fiscal year. The adoption of this new accounting guidance did not have a material impact on our financial condition, results of operations or cash flows.

Under the new accounting guidance, in order to treat deliverables in a multiple-deliverable arrangement as separate units of accounting, the deliverables must have stand-alone value upon delivery. If the deliverables have stand-alone value upon delivery, we account for each deliverable separately. Subscription services have stand-alone value as such services are often sold separately. In determining whether professional services have stand-alone value, we consider the following factors for each professional services agreement: availability of the services from other vendors, the nature of the professional services, the timing of when the professional services contract was signed in comparison to the subscription service start date, and the contractual dependence of the subscription service on the customer's satisfaction with the professional services work. To date, we have concluded that all of the professional services included in multiple-deliverable arrangements executed have stand-alone value, with the exception of initiation and activation fees.

Under the new accounting guidance, when multiple deliverables included in an arrangement are separated into different units of accounting, the arrangement consideration is allocated to the identified separate units based on a relative selling price hierarchy. We determine the relative selling price for a deliverable based on vendor-specific objective evidence of fair value, or VSOE, if available, or best estimate of selling price, or BESP, if VSOE is not available. We have determined that third-party evidence of selling price, or TPE, is not a practical alternative due to differences in our service offerings compared to other parties and the availability of relevant third party pricing information. The amount of revenue allocated to delivered items is limited by contingent revenue, if any.

We have not established VSOE for our offerings due to lack of pricing consistency, the introduction of new services and other factors. Accordingly, we use BESP to determine the relative selling price. We determine BESP by considering our overall pricing objectives and market conditions. Significant pricing practices taken into consideration include our discounting practices, the size and volume of transactions, the geographic area where services are sold, price lists, our go to market strategy, historic contractually stated prices and prior relationships and future subscription service sales with certain classes of customers.

The determination of BESP is made through consultation with and approval by our management, taking into consideration the go-to-market strategy. As our go-to-market strategies evolve, we may modify our pricing practices in the future, which could result in changes in selling prices, including both VSOE and BESP. We plan to analyze the selling prices used in our allocation of arrangement consideration, at a minimum, on an annual basis. Selling prices will be analyzed on a more frequent basis if a significant change in our business necessitates a more timely analysis or if we experience significant variances in our selling prices.

Allowance for Doubtful Accounts

We offset gross trade accounts receivable with an allowance for doubtful accounts. The allowance for doubtful accounts is our best estimate of the amount of probable credit losses in our existing accounts receivable and is based upon historical loss patterns, the number of days that billings are past due and an evaluation of the potential risk of loss associated with specific accounts. Provisions for allowances for doubtful accounts are recorded in general and administrative expense. If, upon signing a customer arrangement, the related account receivable is not considered collectable, we will defer the associated revenue until we collect the cash.

Software Development Costs

Costs incurred to develop software applications used in our on-demand application services consist of (a) certain external direct costs of materials and services incurred in developing or obtaining internal-use computer software and (b) payroll and payroll-related costs for employees who are directly associated with, and who devote time to, the project. These costs generally consist of internal labor during configuration, coding and testing activities. Research and development costs incurred during the preliminary project stage or costs incurred for data conversion activities, training, maintenance and general and administrative or overhead costs are expensed as incurred. Capitalization begins when the preliminary project stage is complete, management with the relevant authority authorizes and commits to the funding of the software project, it is probable the project will be completed, and the software will be used to perform the functions intended and certain functional and quality standards have been met. Qualified costs incurred during the operating stage of our software applications relating to upgrades and enhancements are capitalized to the extent it is probable that they will result in added functionality, while costs that cannot be separated between maintenance of, and minor upgrades and enhancements to, internal-use software are expensed as incurred. These capitalized costs are amortized on a straight line basis over the expected useful life of the software, which is three years. We capitalized $694,000 in 2009, $829,000 in 2010 and $354,000 in 2011. Amortization of software development costs was $601,000 in 2009, $845,000 in 2010 and $886,000 in 2011.

In addition to the software development costs described above, we incur costs to develop computer software to be licensed or otherwise marketed to customers. Costs incurred in the research, design and development of software for sale to others are charged to expense until technological feasibility is established. We capitalize direct computer software development costs upon achievement of technological feasibility subject to net realizable value considerations. Thereafter, software development costs are capitalized until the product is released and amortized to product cost of sales on a straight-line basis over the lesser of three years or the estimated economic lives of the respective products. We have determined that technological feasibility is established at the time a working model of software is completed. Because we believe our current process for developing software will be essentially completed concurrently with the establishment of technological feasibility, no costs have been capitalized to date.

Income Taxes

We are subject to income taxes in both the United States and international jurisdictions, and we use estimates in determining our provision for income taxes. We account for income taxes under the asset and liability method for accounting and reporting for income taxes. Deferred tax assets and liabilities are recognized based on temporary differences between the financial reporting and income tax basis of assets and liabilities using statutory rates. This process requires us to project our current tax liability and estimate our deferred tax assets and liabilities, including net operating losses and tax credit carryforwards. In assessing the need for a valuation allowance, we considered our recent operating results, future taxable income projections and feasible tax planning strategies. We have provided a full valuation allowance against our net deferred tax assets at both December 31, 2010 and 2011.

We account for uncertain tax positions recognized in the consolidated financial statements by prescribing a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. We did not have any recorded liabilities for uncertain tax positions as of December 31, 2010 or December 31, 2011.

Goodwill

We review the carrying value of goodwill for impairment annually and whenever events or changes in circumstances indicate that the carrying value of goodwill may exceed its fair value. Conditions that could trigger a more frequent impairment assessment include, but are not limited to, a significant adverse change in certain agreements, significant underperformance relative to historical or projected future operating results, an economic downturn in customers' industries, increased competition, a significant reduction in our stock price for a sustained period or a reduction of our market capitalization relative to net book value. We evaluate impairment by comparing the estimated fair value of each reporting unit to its carrying value. We estimate fair value primarily utilizing the market approach, which calculates fair value based on the market values of comparable companies or comparable transactions. Actual results may differ materially from these estimates. The estimates we make in determining the fair value of our reporting unit involve the application of judgment, which could affect the timing and size of any future impairment charges. Impairment of our goodwill could significantly affect our operating results and financial position.

We continually evaluate whether events or circumstances have occurred that indicate that the estimated remaining useful life of our long-lived assets may warrant revision or that the carrying value of these assets may be impaired. Any write-downs are treated as permanent reductions in the carrying amount of the assets. We must use judgment in evaluating whether events or circumstances indicate that useful lives should change or that the carrying value of assets has been impaired. Any resulting revision in the useful life or the amount of an impairment also requires judgment. Any of these judgments could affect the timing or size of any future impairment charges. Revision of useful lives or impairment charges could significantly affect our operating results and financial position.

For the year ended December 31, 2011, we elected to adopt ASU No. 2011-08, *Intangibles — Goodwill and Other (Topic 350) Testing Goodwill for Impairment*. Under ASU 2011-08, we have the option to assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount to determine whether further impairment testing is necessary.

Accounting for Stock-based Compensation Arrangements

Accounting guidance requires employee stock-based payments to be accounted for under the fair value method. Under this method, we are required to record compensation cost based on the estimated fair value for stock-based awards granted over the requisite service periods for the individual awards, which generally equals the vesting periods. We use the straight-line amortization method for recognizing stock-based compensation expense.

We estimate the fair value of employee stock options on the date of grant using the Black-Scholes option-pricing model, which requires the use of highly subjective estimates and assumptions. For restricted stock awards issued we estimate the fair value of each grant based on the stock price of our common stock on the date of grant. Historically, as a private company, we lacked company-specific historical and implied volatility information. Therefore, we estimate our expected volatility from the historical volatility of selected publicly-traded peer companies and expect to continue to do so until we have adequate historical data regarding the volatility of our traded stock price. The expected life assumption is based on the simplified method for estimating expected term as we do not have sufficient stock option exercise experience to support a reasonable estimate of the expected term. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of the stock options. We use an expected dividend rate of zero as we currently have no history or expectation of paying dividends on our capital stock. In addition, we have estimated expected forfeitures of stock options based on our historical forfeiture rate and used these rates in developing a future forfeiture rate. If our actual forfeiture rate varies from our historical rates and estimates, additional adjustments to compensation expense may be required in future periods. The weighted-average assumptions for volatility, expected life, risk-free interest rate and expected dividend yield for the years ended December 31, 2010 and 2011 are presented in the following table:

	Year Ended December 31, 2010	Year Ended December 31, 2011
Risk-free interest rate	2.87%	2.62%
Expected volatility	61%	57%
Expected life (in years)	6.2	6.2
Expected dividend yield	—	—

The fair value of our common stock underlying our stock-based awards was determined by our board of directors which intended all stock-based awards granted to be at a price per share not less than the per share fair value of our common stock underlying those awards on the date of grant. The valuations of our common stock were determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. The assumptions we use in the valuation model are based on future expectations combined with management's judgment. In the absence of a public trading market, our board, with input from management, exercised significant judgment and considered numerous objective and subjective factors to determine the fair value of our common stock as of the date of each award grant, including the following factors:

- the rights, preferences and privileges of our redeemable convertible preferred stock relative to our common stock;
- the prices of our preferred stock sold to outside investors in arms-length transactions;
- secondary transactions in our common stock;
- our stage of development, operating and financial performance and revenue growth;
- current business conditions and projections;
- the hiring of key personnel;
- the history of our company and the introduction of new products and services;

- the illiquid nature of our common stock;
- contemporaneous or other valuations of our common stock performed by an independent valuation specialist;
- the likelihood of achieving a liquidity event for the shares of common stock underlying these awards, such as an initial public offering or sale of our company, given prevailing market conditions; and
- the U.S. and global capital market conditions.

The following table summarizes stock options granted to employees from April 1, 2010 through December 31, 2011. There were no grants of restricted stock during this time:

Option Grant Dates	Number of Shares Underlying Options Granted	Per Share Exercise Price of Options (1)	Per Share Fair Value of Underlying Common Stock	Per Share Estimated Fair Value of Options (2)	Aggregate Estimated Fair Value of Options (2) (in-thousands)
May 14, 2010	394,174	$ 9.31	$ 9.31	$ 5.52	$ 2,176
July 27, 2010	246,657	9.31	9.31	5.40	1,333
March 8, 2011	521,648	8.19	8.19	4.18-4.63	2,406
May 12, 2011	208,833	8.19	10.45	6.45	1,347
June 23, 2011	98,132	10.45	10.45	5.82	571
July 27, 2011	85,346	10.45	10.45	5.74	490

(1) The per share exercise price of options was determined by our board.
(2) As described above, the estimated fair value of options was estimated on the date of grant using the Black-Scholes option-pricing model. For the March 8, 2011 grants, we have disclosed a range of per share fair values due to differences in the estimated term of stock options granted on that date.

During December 2011, our board approved options to purchase 171,712 shares of common stock to be granted effective upon the earlier of (a) the closing of this offering at an exercise price equal to the price to the public listed on the cover page of this prospectus or (b) a date determined by our board of directors that is no later than December 15, 2012 at an exercise price determined by our board of directors on the date of such determination. Since the grant date of these options has not been determined, these options have been excluded from the table above.

As discussed above, in order to determine the fair value of our common stock underlying stock option and restricted stock grants, our board considered numerous objective and subjective factors, including arm's length transactions in our common shares whenever those transactions were considered contemporaneous with the valuation date of our common stock. If contemporaneous transactions were not available, in addition to considering the objective and subjective factors listed above, our board considered valuations provided by management from an independent third-party valuation specialist. These valuations estimated the fair value of a minority interest in our common stock, determined based on our business enterprise value, or BEV. Our BEV was estimated using a combination of generally accepted approaches: the income approach using the discounted cash flow method, or DCF method, the market approach using the guideline public company method, and the market approach using the guideline transaction method. The DCF method estimates the enterprise value based on the estimated present value of future net cash flows the business is expected to generate over a forecasted period and an estimate of the present value of cash flows beyond that period, which is referred to as the terminal value. The estimated present value is calculated using a discount rate known as the weighted average cost of capital, which accounts for the time value of money and the appropriate degree of risks inherent in the business. The market approach considers multiples of financial metrics based on guideline transactions and trading multiples of guideline public companies. These multiples are then applied to our financial metrics to derive a range of indicated values. Once calculated, the DCF method and guideline company methods are then weighted. Our indicated BEV was allocated to the shares of preferred stock, common stock, warrants and stock options, using the option pricing method, or OPM, or the probability weighted expected return method, or PWERM. Estimates of the volatility of our common stock were based on available information on the volatility of common stock of comparable, publicly traded companies. We applied a discount for lack of marketability to our common stock based on a put option model.

Significant factors considered by our board in determining the fair value of our common stock at each grant date in the table above are as follows:

May and July 2010 Grants

In March 2010, we issued a total of 2,315,842 shares of our series D redeemable convertible preferred stock for $5.1817 per share to a group of existing investors for aggregate proceeds of approximately $12.0 million. Additionally, at the time of the series D financing, certain members of our management team sold shares of common stock to certain investors participating in the series D financing for $9.30 per share.

On May 14, 2010 and July 27, 2010, our board determined that the fair value of our common stock was $9.31 per share. In addition to considering the series D financing and the secondary transaction for our common stock described above, our board also considered the contemporaneous valuation of a minority interest in our common stock as of March 31, 2010 provided by management from an independent third-party valuation specialist. We concluded that it was appropriate to rely on the March 31, 2010 valuation analysis, which was completed on April 26, 2010, but dated as of March 31, 2010, for purposes of the May 14, 2010 and July 27, 2010 grants because there were no significant changes to the business, including our forecasted financial results, and no significant changes to market conditions, between March 31, 2010 and the date of the grants.

Our valuation of the common stock as of March 31, 2010, which was based on the contemporaneous transactions described above, also considered the DCF method under the income approach and the guideline public company transaction methods under the market approach.

Under the DCF method, future values were discounted to present value using a discount rate of 19%. In determining the appropriate discount rate, we determined our weighted average cost of capital based on comparable companies. The terminal value was determined using a Gordon growth model, which capitalizes expected cash flows.

Under the guideline public company method, we considered multiples of financial metrics based on both acquisitions and trading multiples of a peer group of companies. The companies used for comparison under the guideline public company method were selected based on a number of factors, including but not limited to, the similarity of their industry, growth rate, stage of development, and financial risk. These multiples were then applied to our financial metrics to derive an indication of our enterprise value. A discount of 10% for lack of marketability was applied after considering a number of factors, including the prospects and timeframe for an initial public offering of our common stock.

We used the OPM to allocate the total BEV in the valuation analysis as of March 31, 2010, with the income approach and the market approach both being weighted at 50%, and arrived at a per share fair value of common stock of $8.50. Management and our board relied on the March 2010 contemporaneous transaction in the common stock as we believed this to be the best indicator of the fair value of our common stock as of the date of the May and July 2010 grants.

March 2011 Grants

On March 8, 2011, our board determined that the fair value of our common stock was $8.19 per share. In addition to considering the objective and subjective factors listed above, our board considered the contemporaneous valuation of a minority interest in our common stock as of December 31, 2010 provided by management from an independent third-party valuation specialist. We concluded that it was appropriate to rely on the December 31, 2010 valuation analysis, which was completed on January 11, 2011, but dated as of December 31, 2010, for purposes of the March 8, 2011 grants because there were no significant changes to the business, including our forecasted financial results, and no significant changes to market conditions, between December 31, 2010 and the date of the grants.

Our valuation of our common stock as of December 31, 2010 was based on contemporaneous transactions completed in November 2010. On November 24, 2010, our Chief Executive Officer sold common shares to certain of our existing investors at a price of $9.30 per share. This price was based on the March 2010 transaction described above. Additionally, at this time, one of our nonemployee investors sold shares of common stock, as well as series B, series C and series D redeemable convertible preferred stock to other existing investors. Our common stock was priced at $8.19 per share. The price for series B, series C and series D redeemable convertible preferred stock was $6.2977, $8.05 and $5.1817, respectively. As the amount received by our Chief Executive Officer exceeded the estimated fair value of our common stock at the time of the transaction, we recorded compensation expense for the difference between the transaction price and the estimated fair value of our common stock and the date of the transaction.

Management and our board believe that the secondary transaction made by nonemployee investors, discussed above, as well as the results of the contemporaneous valuation as of December 31, 2010 are the best indicators of the fair value of our common stock as of the date of the May and July 2010 grants, and accordingly, granted stock options to purchase 521,648 shares of common stock with an exercise price of $8.19 per share on March 8, 2011.

May 2011 Grant

On May 12, 2011, we granted options to purchase 208,833 shares of common stock with an exercise price of $8.19 per share, which was determined to be the fair market value of our common stock at that time, based in part on the contemporaneous third-party valuation as of December 31, 2010, which is discussed above.

In connection with the preparation of our financial statements for the six months ended June 30, 2011, and in light of the contemporaneous valuation of our common stock as of May 31, 2011, we reassessed the fair market value of our common stock granted on May 12, 2011, and we determined $10.45 per share to be the fair market value of our common stock for purposes of valuing all stock options granted on that date.

The May 31, 2011 contemporaneous valuation, provided to management by an independent third-party valuation specialist, was based on the market approach, specifically the guideline public company method and the guideline transactions method. The allocation of value was based on the PWERM, which evaluates the probability of a future sale or an IPO. This method calculated enterprise values ranging from $280 million to $565 million and a discount rate of 19%, resulting in a stock price of $10.45 after taking into account a 10% discount for the lack of marketability. Under these scenarios, we (1) estimated the future value of total stockholders' equity using a multiple of forecasted revenues as of the estimated IPO or sale date, (2) allocated that equity value to the preferred and common stock on a pro-rata basis considering the preferred stock conversion at an IPO and sale event, and (3) then discounted the resulting per share common stock value back to the valuation date. The key inputs under this model are the estimated IPO and sale value range, the probability weighting that we assign to each point within the range and the discount rate. We estimated our value range considering a variety of factors, the most significant of which were revenue multiples derived from market data and our forecasted trailing 12-month revenues as of the estimated event date. We assigned a higher probability to the middle of the range and lower probabilities to the low and high end of the range. We determined the discount rate using venture capital rates of return appropriate for our stage of development as of the valuation date.

The key assumptions in the sale and IPO scenarios included an estimated value range of $280 million to $565 million, assigning various probabilities of 35%, 25%, 15%, 10%, 10%, and 5% to $280 million,

$295 million, $385 million, $405 million, $540 million and $565 million, respectively, and a discount rate of 19%. Additionally, we applied a discount for lack of marketability of 10%, resulting in an estimated common stock value of $10.45 per share.

No single event caused the fair value of our common stock on May 31, 2011 to increase from the fair value of our common stock on March 8, 2011; rather, it was a combination of factors. As noted above, we relied on the December 31, 2010 valuation analysis for purposes of the March 8, 2011 grants because there were no significant changes to the business, including our forecasted financial results, and no significant changes to market conditions, between December 31, 2010 and the date of the grants. The December 31, 2010 value was based on a transaction completed in November 2010. It was the board's estimate that the November 2010 transaction provided a sufficiently contemporaneous indication of value for stock options granted in December 2010 and March 2011.

For stock options granted in May 2011, it was the board's estimate that the November 2010 transaction no longer provided a contemporaneous indication of value. In its estimate of value as of May 31, 2011, the board concluded that the value of the common stock had increased from March 8, 2011. The increase is due to the following factors:

- improvements in market conditions, including a 13% increase in the median multiple of revenue for our guideline public companies from December 31, 2010 to May 31, 2011;
- the substance of our continued discussions with underwriters for our potential initial public offering, which we believed indicated an increased probability of our completing an initial public offering;
- the favorable financial performance of our business through May 31, 2011 compared to our original forecast for that period, which resulted in an increase in our forecast for the remainder of 2011; and
- in May 2011, we made our first public announcement of our intention to market our second product, App Cloud.

We believe each of these events contributed to the overall increase in our enterprise value. As a result, the estimated fair value of our common stock increased from $8.19 per share on March 8, 2011 to $10.45 per share in the May 31, 2011 valuation.

June and July 2011 Grants

On June 23, 2011 and July 27, 2011, our board granted options to purchase 98,132 and 85,346 shares, respectively, of common stock with an exercise price of $10.45 per share, which was determined to be the fair market value of our common stock at each date of grant, based in part on the contemporaneous third-party valuation as of May 31, 2011, which is discussed above. We concluded that it was appropriate to rely on the May 31, 2011 valuation analysis for purposes of the June 23, 2011 and July 27, 2011 grants because there were no significant changes to the business, including our forecasted financial results, and no significant changes to market conditions, between May 31, 2011 and the date of the grants.

On January 31, 2012, we and the underwriters for this offering determined a preliminary range for the initial public offering price of $10.00 to $12.00 per share, the mid-point of which represents a valuation increase of approximately 5% over the fair value of our common stock as determined by our board of directors in connection with the options we granted in July 2011. In determining the fair value of common stock relating to options granted during July 2011, our board relied on our most recent valuation report dated May 31, 2011. Our offering price range was determined in consultation with the underwriters and reflects other factors including market conditions for initial public offerings and valuations based on multiples of projected revenue.

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Results of Operations

The following tables set forth our results of operations for the periods presented. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Year Ended December 31,		
	2009	2010	2011
	(in thousands)		
Consolidated statements of operations data:			
Revenue:			
Subscription and support revenue	$32,240	$ 40,521	$ 60,169
Professional services and other revenue	3,947	3,195	3,394
Total revenue	36,187	43,716	63,563
Cost of revenue:			
Cost of subscription and support revenue	6,986	11,060	15,478
Cost of professional services and other revenue	3,463	4,065	4,744
Total cost of revenue	10,449	15,125	20,222
Gross profit	25,738	28,591	43,341
Operating expenses:			
Research and development	8,927	12,257	15,267
Sales and marketing	13,218	24,124	31,564
General and administrative	6,696	9,617	12,640
Total operating expenses	28,841	45,998	59,471
Loss from operations	(3,103)	(17,407)	(16,130)
Other income (expense):			
Interest income	313	185	23
Interest expense	—	—	(358)
Other (expense) income, net	22	(503)	(719)
Total other (expense) income, net	335	(318)	(1,054)
Loss before income taxes and non-controlling interest in consolidated subsidiary	(2,768)	(17,725)	(17,184)
Provision for income taxes	55	56	90
Consolidated net loss	(2,823)	(17,781)	(17,274)
Net loss (income) attributable to non-controlling interest in consolidated subsidiary	478	280	(361)
Net loss attributable to Brightcove Inc.	(2,345)	(17,501)	(17,635)
Accretion of dividends on redeemable convertible preferred stock	(4,918)	(5,470)	(5,639)
Net loss attributable to common stockholders	$ (7,263)	$(22,971)	$ (23,274)

Overview of Results of Operations for the Years Ended December 31, 2010 and 2011

Total revenue increased by 45%, or $19.9 million, in 2011 compared to 2010 due to both an increase in subscription and support revenue of 48%, or $19.6 million, and an increase in professional services revenue of 6%, or $199,000. The increase in subscription and support revenue resulted primarily from an increase in the number of our premium customers, which was 1,301 as of December 31, 2011, an increase of 44% from 905 customers as of December 31, 2010. In addition, our revenues from Express offerings grew by $3.5 million, or 175%, from the prior year as our Express customer base increased by approximately 64% from the prior year. Our ability to continue to provide the product functionality and performance that our customers require will be a major factor in our ability to continue to increase revenue.

Our gross profit increased by $14.8 million, or 52%, in 2011 compared to 2010, primarily due to an increase in revenue. With the continued growth in our total revenue, our ability to continue to maintain our overall gross profit will depend on our ability to continue controlling our costs of delivery.

Loss from operations was $16.1 million in 2011 compared to $17.4 million in 2010. Loss from operations in 2011 and 2010 included $4.2 million and $3.3 million, respectively, of stock-based compensation expense. We expect operating income to increase from increased sales to both new and existing customers and from improved efficiencies throughout our organization as we continue to grow and scale our operations.

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Our results of operations in 2011 compared to 2010 were impacted by foreign exchange rate fluctuations, resulting in an increase in revenue of approximately $960,000, or 2%, of revenue, and an increase in expense of approximately $877,000, or 1%, of expenses.

As of December 31, 2011, we had $17.2 million of unrestricted cash and cash equivalents, a decrease of $3.1 million from $20.3 million at December 31, 2010. In addition, as of December 31, 2011, we had $7.0 million of outstanding debt.

Revenue

	Year Ended December 31,					
	2010		2011		Change	
Revenue by Product Line	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	%
			(in thousands)			
Premium	$41,710	95%	$58,042	91%	$16,332	39%
Express	2,006	5	5,521	9	3,515	175
Total	$43,716	100%	$63,563	100%	$19,847	45%

During 2011, revenue increased by $19.9 million, or 45%, compared to 2010, primarily due to an increase in revenue from our premium offerings, which consist of subscription and support revenue, as well as professional services and other revenue. The increase in premium revenue of $16.3 million, or 39%, is the result of a 44% increase in the number of premium customers from 905 at December 31, 2010 to 1,301 at December 31, 2011, as well as increased revenue from our existing customers. Express revenue grew by $3.5 million, or 175%, which was also driven by an increase of 64% in customers from 1,564 at December 31, 2010 to 2,571 at December 31, 2011.

	Year Ended December 31,					
	2010		2011		Change	
Revenue by Type	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	%
			(in thousands)			
Subscription and support	$40,521	93%	$60,169	95%	$19,648	48%
Professional services and other	3,195	7	3,394	5	199	6
Total	$43,716	100%	$63,563	100%	$19,847	45%

During 2011, subscription and support revenue increased by $19.6 million, or 48%, compared to 2010. The increase was primarily related to the continued growth of our customer base for our premium offerings. In addition, professional services and other revenue increased by $199,000, or 6%. Professional services and other revenue will vary from period to period depending on the timing and completion of related implementation and other projects.

	Year Ended December 31,					
	2010		2011		Change	
Revenue by Geography	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	%
			(in thousands)			
North America	$29,582	68%	$41,953	66%	$ 12,371	42%
Europe	11,077	25	14,489	23	3,412	31
Japan	2,546	6	4,764	8	2,218	87
Asia Pacific	482	1	2,219	3	1,737	360
Other	29	—	138	—	109	376
International subtotal	14,134	32	21,610	34	7,476	53
Total	$43,716	100%	$63,563	100%	$ 19,847	45%

For purposes of this section, we designate revenue by geographic regions based upon the locations of our customers. North America is comprised of revenue from the United States, Canada and Mexico. International is comprised of revenue from locations outside of North America. Depending on the timing of new customer contracts, revenue mix from a geographic region can vary from period to period.

During 2011, total revenue for North America increased $12.4 million, or 42%, compared to 2010. The increase in revenue for North America resulted primarily from an increase in subscription and support revenue from our premium offerings. During 2011, total revenue outside of North America increased $7.5 million, or 53%, compared to 2010. The increase in revenue internationally was the result of our increasing focus on marketing our services internationally.

Cost of Revenue

	Year Ended December 31,					
	2010		2011		Change	
Cost of Revenue	Amount	Percentage of Related Revenue	Amount	Percentage of Related Revenue	Amount	%
			(in thousands)			
Subscription and support	$11,060	27%	$15,478	26%	$4,418	40%
Professional services and other	4,065	127	4,744	140	679	17
Total	$ 15,125	35%	$20,222	32%	$5,097	34%

During 2011, cost of subscription and support revenue increased $4.4 million, or 40%, compared to 2010. The increase resulted primarily from an increase in the cost of content delivery network expenses, network hosting services, depreciation expense and employee-related expenses of $3.3 million, $762,000, $693,000 and $340,000, respectively. There were also increases in expenses related to computer maintenance and support and contractors of $139,000 and $123,000, respectively. These increases were offset in part by a $1.2 million sales tax expense, recorded during 2010, without a corresponding amount recorded during 2011 as we determined we were subject to sales tax in certain states.

During 2011, cost of professional services and other revenue increased $679,000, or 17%, from the corresponding period of the prior year. The increase can be attributed primarily to increased employee-related expenses of $763,000, as we hired an additional five employees.

Gross profit

	Year Ended December 31,					
	2010		2011		Change	
Gross profit	Amount	Percentage of Related Revenue	Amount	Percentage of Related Revenue	Amount	%
			(in thousands)			
Subscription and support	$29,461	73%	$44,691	74%	$15,230	52%
Professional services and other	(870)	(27)	(1,350)	(40)	(480)	(55)
Total	$28,591	65%	$43,341	68%	$14,750	52%

During 2011, the overall gross profit percentage was 68% compared to 65% during 2010. The subscription and support gross profit percentage increased primarily related to a decrease in sales tax expense. The professional services and other gross profit percentage decreased primarily due to increases in employee-related expenses of $763,000. We continue to generate a negative gross profit for professional services and other due to the development of our professional services management team and infrastructure. We expect to gain economies of scale over time. It is likely that gross profit, as a percentage of revenue, will fluctuate quarter by quarter due to the timing and mix of subscription and support revenue and professional services and other revenue, and the type, timing and duration of service required in delivering certain projects.

Operating Expenses

	Year Ended December 31,					
	2010		2011		Change	
Operating Expenses	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	%
			(in thousands)			
Research and development	$12,257	28%	$15,267	24%	$ 3,010	25%
Sales and marketing	24,124	55	31,564	50	7,440	31
General and administrative	9,617	22	12,640	20	3,023	31
Total	$45,998	105%	$59,471	94%	$13,473	29%

Research and Development. During 2011, research and development expense increased by $3.0 million, or 25%, compared to 2010 primarily due to increases in employee-related expenses and recruiting of $2.4 million and $329,000, respectively, as we hired an additional 15 employees. There was also an increase in computer-related maintenance and support expenses of $254,000. These increases were partially offset by a decrease in contractor expenses of $109,000. In future periods, we expect that our research and development expense will continue to increase in absolute dollars as we continue to add employees, develop new features and functionality for our products, introduce additional software solutions and expand our product and service offerings.

Sales and Marketing. During 2011, sales and marketing expense increased $7.4 million, or 31%, compared to 2010 primarily due to increases in employee-related expenses, marketing programs, commission expenses and travel expenses of $4.0 million, $2.1 million, $1.2 million and $419,000, respectively. These increases were partially offset by decreases in stock-based compensation and contractor expenses of $451,000 and $240,000, respectively. We expect that our sales and marketing expense will continue to increase in absolute dollars along with our revenues, as we continue to expand sales coverage and build brand awareness through what we believe are cost-effective channels. We expect that such increases may fluctuate from period to period, however, due to the timing of marketing programs.

General and Administrative. During 2011, general and administrative expense increased by $3.0 million, or 31%, compared to 2010 primarily due to an increase in employee-related expenses and stock-based compensation expenses of $1.6 million and $1.3 million, respectively, as well as an increase in computer-related maintenance and support of $219,000. These increases were partially offset by a decrease in travel expenses of $261,000. In future periods, we expect general and administrative expenses will increase in absolute dollars as we add personnel and incur additional costs related to the growth of our business and operations.

Other Income (Expense), Net

	Year Ended December 31,					
	2010		2011		Change	
Other Income (Expense)	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	%
			(in thousands)			
Interest income, net	$ 185	—	$ 23	—	$ (162)	(88)%
Interest expense	—	—	(358)	(1)	(358)	(100)
Other expense, net	(503)	(1)	(719)	(1)	(216)	(43)
Total	$ (318)	(1)%	$(1,054)	(2)%	$ (736)	(231)%

During 2011, interest income, net decreased by $162,000, or 88%, from the corresponding period of the prior year. Interest income is generated from the investment of our cash balances, less related bank fees. The decrease in interest income is due to decreased interest rates associated with our auction rate security, or ARS, holdings.

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The increase in interest expense related to borrowings under our line of credit and term loan. The increase in other expense, net was primarily due to a realized loss of $146,000, recognized during 2011, when we sold our remaining ARS holdings. There was also an increase in foreign currency transaction losses of $83,000. These increases were partially offset by a decrease of $48,000 related to the change in the valuation of the warrants to purchase 60,728 shares of series B preferred stock during 2011, compared to the change in 2010.

Provision for Income Taxes

	Year Ended December 31,				Change	
	2010		2011			
Provision for income taxes	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	%
			(in thousands)			
Provision for income taxes	$ 56	—	$ 90	—	$ 34	61%

The increase in the provision for income taxes during 2011 compared to 2010, resulted primarily from an increase in income tax expenses related to foreign jurisdictions.

Non-Controlling Interest in Consolidated Subsidiary

	Year Ended December 31,				Change	
	2010		2011			
Non-controlling interest in consolidated subsidiary	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	%
			(in thousands)			
Net loss (income) attributable to non-controlling interest in consolidated subsidiary	$ 280	1%	$ (361)	(1)%	$ (641)	(229)%

Non-controlling interests represent the minority stockholders' proportionate share (37%) of our majority- owned subsidiary, Brightcove KK. During 2011, Brightcove KK generated net income as a result of increased market penetration in Japan.

Overview of Results of Operations for the Years Ended December 31, 2009 and 2010

Total revenue increased by 21%, or $7.5 million, in 2010 compared to 2009 due to an increase in subscription and support revenue of 26%, or $8.3 million, which was partially offset by a 19% decrease in professional services and other revenue of $752,000. The increase in subscription and support revenue resulted primarily from an increase in the number of our premium customers, which was 905 at December 31, 2010, an increase of about 25% from that of the prior year. We also had our first full year of Express revenue in 2010 and ended the year with 1,564 Express customers, generating a total of $2.0 million in revenue.

Our gross profit increased by 11%, or $2.9 million, in 2010 compared to 2009, primarily due to a more significant increase in revenue compared to the increase in the cost of revenue. The increase in gross profit is primarily due to the increase in subscription and support revenue, which has a higher gross profit than professional services revenue.

Loss from operations was $17.4 million in 2010 compared to $3.1 million in 2009. This increase was primarily the result of an increase in research and development, sales and marketing and general administrative expenses to support the growth of our operations. Loss from operations in 2010 and 2009 included $3.3 million and $508,000, respectively, of stock-based compensation expense.

Our results of operations in 2010 compared to 2009 were impacted by foreign exchange rate fluctuations, resulting in a decrease in revenue of approximately $153,000, and a decrease in expenses of approximately $21,000.

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As of December 31, 2010, we had $20.3 million of unrestricted cash and cash equivalents, a decrease of $2.2 million from $22.6 million at December 31, 2009. In addition, as of December 31, 2010 and 2009, we had $2.9 million and $3.0 million, respectively, of long-term investments.

Revenue

	Year Ended December 31,				Change	
	2009		2010			
Revenue by Product Line	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	%
			(in thousands)			
Premium	$36,164	100%	$41,710	95%	$5,546	15%
Express	23	—	2,006	5	1,983	nm
Total	$36,187	100%	$43,716	100%	$7,529	21%

nm—not meaningful

During 2010, revenue increased by $7.5 million, or 21%, compared to 2009, primarily due to an increase in revenue from our premium offerings. The increase in premium revenue was $5.5 million, or 15%, and is the result of a 25% increase in the number of premium customers from 723 at December 31, 2009 to 905 at December 31, 2010, as well as increased revenue from our existing customers. Our Express revenues grew by $2.0 million, resulting primarily from an increase in Express customers from 143 at December 31, 2009 to 1,564 at December 31, 2010. Fiscal 2010 was our first full year of Express revenue.

	Year Ended December 31,				Change	
	2009		2010			
Revenue by Type	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	%
			(in thousands)			
Subscription and support	$32,240	89%	$40,521	93%	$8,281	26%
Professional services and other	3,947	11	3,195	7	(752)	(19)
Total	$36,187	100%	$43,716	100%	$7,529	21%

During 2010, subscription and support revenue increased by $8.3 million, or 26%, compared to 2009. The increase was primarily related to the continued growth of our customer base for our premium offerings. This increase was partially offset by a $752,000 decrease in professional services and other revenue. Professional services and other revenue will vary depending on the timing and completion of related implementation and other projects.

	Year Ended December 31,				Change	
	2009		2010			
Revenue by Geography	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	%
			(in thousands)			
North America	$26,193	72%	$29,582	68%	$3,389	13%
Europe	8,680	24	11,077	25	2,397	28
Japan	931	3	2,546	6	1,615	173
Asia Pacific	359	1	482	1	123	34
Other	24	—	29	—	5	21
International subtotal	9,994	28	14,134	32	4,140	41
Total	$36,187	100%	$43,716	100%	$7,529	21%

For purposes of this discussion, we designate revenue by geographic regions based upon the locations of our customers. Depending on the timing of new customer contracts, revenue mix from geographic region can vary from period to period.

During 2010, total revenue for North America increased $3.4 million, or 13%, compared to 2009. The increase in revenue for North America resulted primarily from an increase in subscription and support revenue from our premium offerings. Total revenue outside of North America increased $4.1 million, or 41%, compared to 2009. The increase in revenue internationally was the result of expanded geographic focus to establish a wider distribution of our service.

Cost of Revenue

	Year Ended December 31,					
	2009		2010		Change	
Cost of Revenue	Amount	Percentage of Related Revenue	Amount	Percentage of Related Revenue	Amount	%
			(in thousands)			
Subscription and support	$ 6,986	22%	$11,060	27%	$4,074	58%
Professional services and other	3,463	88	4,065	127	602	17
Total	$10,449	29%	$15,125	35%	$4,676	45%

During 2010, cost of subscription and support revenue increased by $4.1 million, or 58%, compared to 2009 primarily due to an increase in sales tax, content delivery network expenses, and employee related expenses of $1.2 million, $875,000, and $557,000, respectively. There were also increases in expenses relating to outside service providers, including network hosting fees and other services, of $701,000. In addition, there was an increase in both amortization of capitalized software costs and depreciation expense of $244,000 and $227,000, respectively.

During 2010, cost of professional services and other revenue increased by $602,000, or 17%, compared to 2009 primarily due to increases in employee related expenses of $449,000 and increases in computer-related maintenance and support expenses of $94,000. These increases were partially offset by decreases in expenses for contractors of $121,000.

Gross Profit

	Year Ended December 31,					
	2009		2010		Change	
Gross profit	Amount	Percentage of Related Revenue	Amount	Percentage of Related Revenue	Amount	%
			(in thousands)			
Subscription and support	$25,254	78%	$29,461	73%	$ 4,207	17%
Professional services and other	484	12	(870)	(27)	(1,354)	(280)
Total	$25,738	71%	$28,591	65%	$ 2,853	11%

During 2010, the overall gross profit percentage was 65% compared to 71% during 2009. The subscription and support gross profit percentage decreased from 78% to 73% due to an increase in sales tax, content delivery network expenses and network hosting services, which offset the growth in subscription and support revenues. The professional services gross profit percentage decreased from 12% to (27%) primarily due to increases in employee-related expenses as a percentage of related revenues. During 2010 and 2009, gross margin was impacted by the timing of professional services revenue recognized in multiple element arrangements that included both subscription and professional services fees. In such arrangements, the professional services fees were recognized ratably along with the subscription fees, while the costs to provide professional services fees for these arrangements were expensed as incurred.

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Operating Expenses

Operating Expenses	Year Ended December 31, 2009 Amount	2009 Percentage of Revenue	2010 Amount	2010 Percentage of Revenue	Change Amount	Change %
			(in thousands)			
Research and development	$ 8,927	25%	$12,257	28%	$ 3,330	37%
Sales and marketing	13,218	37	24,124	55	10,906	83
General and administrative	6,696	18	9,617	22	2,921	44
Total	$28,841	80%	$45,998	105%	$17,157	59%

Research and Development. During 2010, research and development expense increased by $3.3 million, or 37%, compared to 2009 primarily due to increases in employee-related and recruiting expenses of $2.2 million and $171,000, respectively, as we hired an additional 16 employees. Additionally, we had increases in contractor and stock-based compensation expenses of $283,000 and $244,000, respectively.

Sales and Marketing. During 2010, sales and marketing expense increased by $10.9 million, or 83%, compared to 2009 primarily due to increases in employee-related expenses, marketing programs and commission expense of $3.8 million, $2.5 million and $977,000, respectively. The employee-related and commission expense increases were primarily driven by an increase in headcount as we hired an additional 40 employees to support our growth. Additionally, stock-based compensation expenses, travel and recruiting expenses increased by $1.4 million, $965,000, and $279,000, respectively.

General and Administrative. During 2010, general and administrative expense increased by $2.9 million, or 44%, compared to 2009 primarily due to increases in stock-based compensation expense of $1.1 million and employee-related expenses of $872,000, as we hired an additional 13 employees. There were also increases in travel expenses and recruiting and computer-related maintenance and support for of $240,000, $226,000, and $195,000, respectively.

Other Income (Expense), Net

Other Income (Expense)	Year Ended December 31, 2009 Amount	2009 Percentage of Revenue	2010 Amount	2010 Percentage of Revenue	Change Amount	Change %
			(in thousands)			
Interest income, net	$ 313	1%	$ 185	—	$ (128)	(41)%
Other income (expense), net	22	—	(503)	(1)%	(525)	nm
Total	$ 335	1%	$ (318)	(1)%	$ (653)	(195)%

nm—not meaningful

During 2010, interest income, net decreased by $128,000, or 41%, compared to 2009. Interest income is generated from investment of our cash balances, less related bank fees. The decrease in interest income, net principally reflected a decline in interest rates associated with our auction rate security holdings. The decrease in other, net in 2010 was primarily due to an increase in foreign currency loss of $351,000 from 2009 to 2010 and an increase of $172,000 related to the revaluation of our warrants.

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Provision for Income Taxes

Provision for income taxes	Year Ended December 31, 2009 Amount	2009 Percentage of Revenue	2010 Amount	2010 Percentage of Revenue	Change Amount	Change %
			(in thousands)			
Provision for income taxes	$ 55	—	$ 56	—	$ 1	2%

Provision for income taxes remained relatively unchanged from 2009 to 2010, and primarily consists of taxes from our foreign jurisdictions.

Non-Controlling Interest in Consolidated Subsidiary

Non-controlling interest in consolidated subsidiary	Year Ended December 31, 2009 Amount	2009 Percentage of Revenue	2010 Amount	2010 Percentage of Revenue	Change Amount	Change %
			(in thousands)			
Net loss attributable to non-controlling interest in consolidated subsidiary	$ 478	1%	$ 280	1%	$ (198)	(41)%

Non-controlling interests represent the minority stockholders' proportionate share (37%) of our majority-owned subsidiary, Brightcove KK. The net loss attributable to the non-controlling interest decreased in 2010 by $198,000 due to a reduced net loss of the subsidiary.

Quarterly Results of Operations Data

The following tables set forth our unaudited quarterly consolidated statements of operations data for each of the eight quarters ended December 31, 2011. We have prepared the quarterly data on a basis consistent with the audited consolidated financial statements included in this prospectus. In the opinion of management, the financial information reflects all necessary adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of this data. This information should be read in conjunction with the audited consolidated financial statements and related notes included elsewhere in this prospectus. The results of historical periods are not necessarily indicative of the results of operations for a full year or any future period.

	For the Three Months Ended							
	March 31, 2010	June 30, 2010	September 30, 2010	December 31, 2010	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011
	(in thousands, except per share data)							
Consolidated Statements of Operations Data:								
Revenue:								
Subscription and support revenue	$ 9,235	$ 9,563	$ 10,322	$ 11,401	$12,492	$14,478	$ 15,906	$ 17,293
Professional services and other revenue	791	716	730	958	582	802	767	1,243
Total revenue	10,026	10,279	11,052	12,359	13,074	15,280	16,673	18,536
Cost of revenue(1):								
Cost of subscription and support revenue	2,861	2,326	2,703	3,170	3,279	3,760	4,038	4,401
Cost of professional services and other revenue	887	978	1,086	1,114	1,097	1,176	1,237	1,234
Total cost of revenue	3,748	3,304	3,789	4,284	4,376	4,936	5,275	5,635
Gross profit	6,278	6,975	7,263	8,075	8,698	10,344	11,398	12,901
Operating expenses(1):								
Research and development	2,588	2,914	3,393	3,362	3,443	3,755	3,981	4,088
Sales and marketing	5,151	6,233	6,372	6,368	6,966	8,406	7,453	8,739
General and administrative	2,060	2,372	2,277	2,908	2,725	3,253	3,261	3,401
Total operating expenses	9,799	11,519	12,042	12,638	13,134	15,414	14,695	16,228
Loss from operations	(3,521)	(4,544)	(4,779)	(4,563)	(4,436)	(5,070)	(3,297)	(3,327)
Other income (expense):								
Interest income	64	75	36	10	12	6	2	3
Interest expense	—	—	—	—	—	(8)	(174)	(176)
Other (expense) income, net	(476)	(118)	175	(84)	110	(259)	(411)	(159)
Total other (expense) income, net	(412)	(43)	211	(74)	122	(261)	(583)	(332)
Loss before income taxes and non-controlling interest in subsidiary	(3,933)	(4,587)	(4,568)	(4,637)	(4,314)	(5,331)	(3,880)	(3,659)
Provision for income taxes	19	19	17	1	32	51	11	(4)
Consolidated net loss	(3,952)	(4,606)	(4,585)	(4,638)	(4,346)	(5,382)	(3,891)	(3,655)
Net loss (income) attributable to non-controlling interest in consolidated subsidiary	104	107	90	(21)	(69)	(76)	(87)	(129)
Net loss attributable to Brightcove Inc.	(3,848)	(4,499)	(4,495)	(4,659)	(4,415)	(5,458)	(3,978)	(3,784)
Accretion of dividends on redeemable convertible preferred stock	(1,241)	(1,410)	(1,410)	(1,409)	(1,410)	(1,409)	(1,410)	(1,410)
Net loss attributable to common stockholders	$ (5,089)	$ (5,909)	$ (5,905)	$ (6,068)	$ (5,825)	$ (6,867)	$ (5,388)	$ (5,194)
Net loss per share attributable Brightcove Inc.:								
Basic and diluted	$ (1.13)	$ (1.28)	$ (1.27)	$ (1.29)	$ (1.22)	$ (1.42)	$ (1.09)	$ (1.02)

(1) Stock-based compensation included in above line items:

Cost of subscription and support revenue	$ 7	$ 8	$ 5	$ 6	$ 10	$ 13	$ 17	$ 12
Cost of professional services revenue	20	29	23	27	24	35	29	29
Research and development	87	91	85	106	86	91	110	80
Sales and marketing	645	202	305	307	255	300	238	215
General and administrative	275	306	311	470	615	602	662	774

The following table sets forth our number of customers, the average monthly streams and our recurring dollar retention rate for the periods indicated:

	March 31, 2010	June 30, 2010	September 30, 2010	December 31, 2010	March 31, 2011	June 30, 2011	September 30, 2011	December 31, 2011
Customers (at period end):								
Express	492	906	1,255	1,564	1,852	2,183	2,422	2,571
Premium	763	796	836	905	996	1,112	1,203	1,301
Total customers (at period end)	1,255	1,702	2,091	2,469	2,848	3,295	3,625	3,872
Average monthly year to date streams (in thousands)	399,900	412,000	436,200	475,450	697,200	706,900	731,756	742,965
Recurring dollar retention rate	89%	89%	87%	86%	94%	93%	94%	93%

Subscription and support revenue increased in absolute dollars in every quarter during 2010 and 2011, primarily resulting from an increase in customers for both our premium and Express editions and increased revenue from existing customers. There is no discernible seasonality to subscription and support revenue as the contractual term of our customer arrangements is generally one year, and fees for annual subscriptions and support are recognized ratably over the term of the arrangement. Professional services revenue varies depending upon the timing and completion of implementation and other professional services projects.

Cost of subscription and support revenue decreased from the first quarter of 2010 to the second quarter of 2010 as we recorded $1.0 million of expenses related to sales tax in the first quarter of 2010. Starting in the third quarter of 2010, cost of subscription and support revenue increased in absolute dollars in every quarter along with subscription and support revenue. Cost of professional services revenue increased in absolute dollars during 2010 and 2011 due to an increase in headcount to support implementation and other professional services projects.

Research and development expense increased in absolute dollars during 2010 and 2011, with the exception of the second quarter to the third quarter of 2010, where research and development expense remained relatively unchanged. The increase in research and development expense during these periods is related to increased headcount to support the development of both our Video Cloud and App Cloud products.

Sales and marketing expense increased from the first quarter to the second quarter of 2010 and remained relatively unchanged thereafter for the remainder of 2010. During 2011, sales and marketing expense increased in absolute dollars through the second quarter of 2011, decreased in the third quarter of 2011 and then increased in the fourth quarter of 2011. The increase in sales and marketing expense in the fourth quarter of 2011 related to increased headcount as we expand sales coverage and build brand awareness.

General and administrative expense remained relatively unchanged during the first three quarters of 2010, increased in the fourth quarter of 2010, and then decreased slightly in the first quarter of 2011. General and administrative expense then increased in the second quarter of 2011, remained relatively unchanged through the third quarter of 2011, and increased moderately in the fourth quarter of 2011. The increase in general and administrative expense during the fourth quarter of 2010, and continuing into 2011, relates to an increase in headcount as we continued to build our internal infrastructure in preparation for an initial public offering of our common stock.

Liquidity and Capital Resources

We have funded our operations since inception primarily with approximately $100 million of net proceeds from issuances of preferred and common stock and with borrowings of $7.0 million under two bank credit facilities.

	Year Ended December 31,		
	2009	2010	2011
		(in thousands)	
Consolidated Statements of Cash Flow Data			
Purchases of property and equipment	$(1,075)	$ (2,720)	$ (4,064)
Depreciation and amortization	1,778	2,199	2,992
Cash flows from (used in) operating activities	151	(10,762)	(7,199)
Cash flows used in investing activities	(1,903)	(3,432)	(1,365)
Cash flows from financing activities	240	11,932	5,188

Cash and cash equivalents.

Our cash and cash equivalents at December 31, 2011 were held for working capital purposes and were invested primarily in money market funds. We do not enter into investments for trading or speculative purposes. At December 31, 2009 and 2010 restricted cash was $621,000 and $554,000, respectively, and was held in certificates of deposit as collateral for letters of credit related to the lease agreements for our corporate headquarters in Cambridge, Massachusetts and our offices in New York, New York and Seattle, Washington and a portion of the restricted cash balance is associated with the contractual provisions of our corporate credit card. As of December 31, 2011, the restricted cash balance was $233,000. The reduction in restricted cash was related to the letter of credit for our Cambridge, Massachusetts facility being transferred under one of our bank credit facilities. As such, the related certificate of deposit was no longer considered restricted. At December 31, 2009, 2010 and 2011, we had $2.4 million, $2.0 million and $3.6 million, respectively, of cash and cash equivalents held by subsidiaries in international locations, including subsidiaries located in Japan and the United Kingdom. It is our current intention to reinvest unremitted earnings in such subsidiaries.

Accounts receivable, net.

Our accounts receivable balance fluctuates from period to period, which affects our cash flow from operating activities. The fluctuations vary depending on the timing of our billing activity, cash collections, and changes to our allowance for doubtful accounts. In many instances we receive cash payment from a customer prior to the time we are able to recognize revenue on a transaction. We record these payments as deferred revenue, which has a positive effect on our accounts receivable balances. We use days' sales outstanding, or DSO, calculated on a quarterly basis, as a measurement of the quality and status of our receivables. We define DSO as (a) accounts receivable, net of allowance for doubtful accounts, divided by total revenue for the most recent quarter, multiplied by (b) the number of days in that quarter. DSO was 68 days at December 31, 2009, 69 days at December 31, 2010 and 73 days at December 31, 2011.

Operating activities.

Cash used by operating activities consists primarily of net loss adjusted for certain non-cash items including depreciation and amortization, stock-based compensation expense, the provision for bad debts and the effect of changes in working capital and other activities. During 2011, cash used in operating activities was $7.2 million and consisted of $17.3 million of net loss, which included non-cash expenses of $4.2 million for stock-based compensation expense and $3.0 million for depreciation and amortization expense. Sources of cash primarily included increases in deferred revenue and accrued expenses of $8.0 million and $1.5 million, respectively. These inflows were offset in part by an increase in accounts receivable and other current assets of $5.4 million and $1.6 million, respectively. Increases in deferred revenue and accounts receivable primarily related to an increase in sales of our subscription and support services to both new and existing customers. In addition, during 2011, we experienced an increase in the number of sales of subscription and support services with the annual fee payable at the outset of the arrangement instead of in monthly installments. The increase in accrued expenses and accounts payable primarily related to an increase in operating expenses and the timing of related payments.

Cash used by operating activities in 2010 was $10.8 million and consisted of a $17.8 million net loss, which included non-cash expenses of $2.2 million for depreciation and amortization expense and $3.3 million for stock-based compensation expense. Sources of cash from operating activities included a $2.4 million increase in accrued expenses, primarily related to expenses for sales tax, and a $1.5 million increase in deferred revenue. These sources of cash were offset in part by a $2.0 million increase in accounts receivable. Increases in deferred revenue and accounts receivable primarily related to an increase in sales of our subscription and support services to both new and existing customers. In addition, during the fourth quarter of 2010, we experienced an increase in the number of sales of subscription and support services with the annual fee payable at the outset of the arrangement instead of in monthly installments.

Cash generated by operating activities in 2009 was $151,000 and consisted of a $2.8 million net loss, which included non-cash expenses of $1.8 million for depreciation and amortization expense and $508,000 for stock-based compensation expense. Sources of cash from operating activities included a $2.1 million increase in accrued expenses, primarily related to an increase in employee-related accruals, and a $505,000 increase in accounts payable. These sources of cash were offset by a $1.0 million increase in accounts receivable and a $628,000 decrease in deferred revenue.

Investing activities.

Cash used in investing activities during 2011 was $1.4 million, consisting primarily of $4.1 million in capital expenditures for equipment to support the business, partially offset by $2.7 million of proceeds from the sale of investments.

Cash used in investing activities in fiscal 2010 was $3.4 million, consisting primarily of capital expenditures of $2.7 million for equipment to support the business. In addition, we incurred costs of $829,000 relating to the development of internal-use software, partially offset by lower restricted cash requirements.

Cash used in investing activities in fiscal 2009 was $1.9 million, consisting primarily of capital expenditures of $1.1 million for equipment to support the business. In addition we incurred costs of $694,000 relating to the development of internal-use software and we had an increase in restricted cash due to higher collateral requirements in connection with additional lease commitments.

Financing activities.

We raised approximately $11.8 million of net proceeds through sales of our series D convertible preferred stock in March 2010. All of the shares of preferred stock will convert into common stock upon completion of this offering. In addition, we received proceeds from the exercises of common stock options, net of the amount paid for the repurchase of common stock, in the amount of $240,000 in 2009, $154,000 in 2010 and $475,000 in 2011. During 2011, we received proceeds of $7.0 million from our credit facility with Silicon Valley Bank, or SVB. Additionally, during 2011, we made payments of $2.3 million for costs incurred in connection with this offering.

Credit facility borrowings.

On March 30, 2011, we entered into a loan and security agreement with SVB providing for an asset-based line of credit. Under such credit agreement, we can borrow up to the lesser of (i) $8.0 million or (ii) 80% of our eligible accounts receivable. We have a $2.4 million letter of credit outstanding under the credit agreement to secure the lease for our new corporate headquarters, which reduces the borrowing availability under the credit agreement. The amounts owed under the credit agreement are secured by substantially all of our assets, excluding our intellectual property. Outstanding amounts under the credit agreement accrue interest at a rate equal to the prime rate plus 1.5%. Amounts owed under the credit agreement are due on March 31, 2013, and interest and related finance charges are payable monthly. In June 2011, we borrowed $2.0 million under this line of credit.

On June 24, 2011, we amended our credit facility with SVB to provide us with the ability to borrow up to an additional $7.0 million in the form of a term loan. Outstanding amounts under the term loan accrue interest at a rate equal to the prime rate plus 7%. We are required to pay only interest on the term loan for the first 12 months and then principal and interest thereafter over the next 36 months. There is a final payment due under the term loan of 2% of the original principal amount of such term loan. In June 2011, we borrowed $5.0 million under this credit facility and in December 2011, we borrowed an additional $2.0 million and repaid the outstanding balance under the line of credit.

The credit agreement contains no financial covenants; however, it contains certain non-financial covenants, including limitations on our ability to change the principal nature of our business, engage in any change of control transaction, incur additional indebtedness, pay dividends, make investments and engage in transactions with affiliates. Upon an event of default, SVB may declare the unpaid principal amount of all outstanding loans and interest accrued under the credit agreement to be immediately due and payable, and exercise its security interests and other rights under the credit agreement. As of December 31, 2011, we were in compliance with the covenants under our credit agreement.

We believe our existing cash and cash equivalents will be sufficient to meet our anticipated working capital and capital expenditures for at least the next 12 months. Our future working capital requirements will depend on many factors, including the rate of our revenue growth, our introduction of new products and enhancements, and our expansion of sales and marketing and product development activities. To the extent that our cash and cash equivalents, cash flow from operating activities, and net proceeds of this offering are insufficient to fund our future activities, we may need to raise additional funds through bank credit arrangements or public or private equity or debt financings. We also may need to raise additional funds in the event we determine in the future to acquire businesses, technologies and products that will complement our existing operations. In the event additional funding is required, we may not be able to obtain bank credit arrangements or equity or debt financing on terms acceptable to us or at all.

Net operating loss carryforwards.

As of December 31, 2011, we had federal and state net operating losses of approximately $72.0 million and $37.6 million, which are available to offset future taxable income, if any, through 2031. We had research and development tax credits of $2.3 million and $1.3 million which expire in various amounts through 2031. Our net operating loss and tax credit amounts are subject to annual limitations under Section 382 change of ownership rules of the U.S. Internal Revenue Code of 1986, as amended. We completed an assessment to determine whether there may have been a Section 382 ownership change and determined that it is more likely than not that our net operating and tax credit amounts as disclosed are not subject to any material Section 382 limitations.

In assessing our ability to utilize our net deferred tax assets, we considered whether it is more likely than not that some portion or all of our net deferred tax assets will not be realized. Based upon the level of our historical U.S. losses and future projections over the period in which the net deferred tax assets are deductible, at this time, we believe it is more likely than not that we will not realize the benefits of these deductible differences. Accordingly, we have provided a full valuation allowance against our net deferred tax assets as of December 31, 2010 and 2011.

Auction rate securities.

As of December 31, 2008, we held ARS totaling $4.0 million at par value. These ARS are debt instruments issued by the District of Columbia to finance construction of a facility, and have credit ratings of “A” or “Baa1” (or equivalent) from a recognized rating agency. Historically, the carrying value of ARS approximated fair value due to the frequent resetting of the interest rates. Beginning in February 2008, with the liquidity issues experienced in the global credit and capital markets, our ARS experienced multiple failed auctions. While we continued to earn and receive interest on these investments at the maximum contractual rate, the estimated fair value of these ARS no longer approximated par value.

We concluded that the fair value of these ARS at December 31, 2008 was $3.0 million, a decline of $1.0 million from par value. Fair value was determined using a DCF method that considered the following key inputs: (i) the underlying structure of each security; (ii) the present value of the future principal and interest payments discounted at rates considered to reflect current market conditions and the relevant risk associated with each security; and (iii) consideration of the time horizon that the market value of each security could return to its cost. In making these assumptions, we considered relevant factors, including: the formula applicable to each security which defines the interest rate paid to investors in the event of a failed auction; forward projections of the interest rate benchmarks specified in such formulas; and the likely timing of principal repayments. Our estimate of the rate of return required by investors to own these securities also considered the current reduced liquidity for ARS. The decline in fair value was deemed other than temporary, and accordingly, we recorded an impairment charge of $1.0 million in the consolidated statement of operations for the year ended December 31, 2008.

During the year ended December 31, 2009, $75,000 of our ARS were called by the respective issuers at par value. As of December 31, 2009, we concluded that the fair value of these ARS increased by $62,000 and therefore, recorded the change in fair value of these securities from December 31, 2008 as an unrealized gain in accumulated other comprehensive income for the year ended December 31, 2009. Fair value was determined using a DCF method as discussed above.

During the year ended December 31, 2010, an additional $50,000 of our ARS were called by the respective issuers at par value. As these securities had previously been deemed impaired, and were ultimately settled at par value, we recorded other income of $16,000 to reflect the reversal of the portion of the other-than-temporary impairment associated with the securities that were settled. As of December 31, 2010, we concluded that the fair value of the remaining ARS decreased by $62,000 and therefore, recorded the change in fair value of these securities from December 31, 2009 as an unrealized loss in accumulated other comprehensive loss for the year ended December 31, 2010. Fair value was determined using a DCF method as discussed above.

We did not have any realized gains or losses from the sale of available-for-sale investments for the years ended December 31, 2008, 2009 and 2010.

We sold the remaining ARS for total proceeds of $2.7 million, and recorded a realized loss of $146,000 to other expense in the consolidated statement of operations during the year ended December 31, 2011.

Contractual Obligations and Commitments

Our principal commitments consist of obligations under our outstanding debt facilities, leases for our office space, computer equipment, furniture and fixtures, and contractual commitments for hosting and other support services. The following table summarizes these contractual obligations at December 31, 2011:

	Payment Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 years
			(in thousands)		
Operating lease obligations	$35,893	$ 4,219	$ 6,723	$ 9,932	$ 15,019
Less sublease arrangements	(88)	(88)	—	—	—
Outstanding purchase obligations	2,113	1,063	1,050	—	—
Principal payments on debt obligations	7,000	833	4,667	1,500	—
Total	$44,918	$ 6,027	$12,440	$11,432	$ 15,019

Recently Issued Accounting Pronouncements

In May 2011, the FASB issued Accounting Standards Update, or ASU, No. 2011-04, Fair Value Measurement (Topic 820)—*Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (IFRSs) (ASU No. 2011-04)*. The amendments in this update apply to all reporting entities that are required or permitted to measure or disclose the fair value of an asset, a liability, or an instrument classified in a reporting entity's stockholders' equity in the financial statements. ASU No. 2011-04 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within U.S. GAAP or IFRS. ASU No. 2011-04 changes the wording used to describe many requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. Additionally, ASU No. 2011-04 clarifies the FASB's intent about the application of existing fair value measurements. The amendments in this update are to be applied prospectively. For public entities, the amendments are effective during interim and annual periods beginning after December 15, 2011. Early application by public entities is not permitted. We do not expect the provisions of ASU No. 2011-04 to have a material effect on our financial position, results of operations or cash flows.

In June 2011, the FASB issued ASU No. 2011-05, Comprehensive Income (Topic 220)—*Presentation of Comprehensive Income*, which requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of equity. The amendments in this update should be applied retrospectively. For public entities, the amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. In December 2011, the FASB issued ASU No. 2011-12, Comprehensive Income (Topic 220)—*Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05*, deferring its requirement that companies present reclassification adjustments for each component of accumulated other comprehensive income in both net income and other comprehensive income on the face of the financial statements. Entities continue to be required to present amounts reclassified out of accumulated other comprehensive income on the face of the financial statements or to disclose those amounts in the notes to the financial statements. The requirement to present reclassification adjustments in interim periods was also deferred. However, entities are required to report a total for comprehensive income in condensed financial statements of interim periods in a single continuous statement or in two consecutive statements. The FASB is reconsidering the presentation requirements for reclassification adjustments. These amendments impact presentation and disclosure only, and therefore the ultimate adoption of this standard will not have an impact on our consolidated financial position, results of operations or cash flows.

Off-Balance Sheet Arrangements

We do not have any special purpose entities or off-balance sheet arrangements.

Quantitative and Qualitative Disclosure About Market Risk

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks include primarily foreign exchange risks, interest rate and inflation.

Financial instruments

Financial instruments meeting fair value disclosure requirements consist of cash equivalents, accounts receivable and accounts payable. The fair value of these financial instruments approximates their carrying amount.

Foreign currency exchange risk

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the euro, British pound, Australian dollar and Japanese yen. Except for revenue transactions in Japan, we enter into transactions directly with substantially all of our foreign customers.

Percentage of revenues and expenses in foreign currency is as follows:

	Year Ended December 31, 2010	2011
Revenues generated in locations outside the United States	32%	34%
Revenues in currencies other than the United States dollar(1)	30%	28%
Expenses in currencies other than the United States dollar(1)	19%	19%

(1) Percentage of revenues and expenses denominated in foreign currency for the years ended December 31, 2010 and 2011:

	Year Ended December 31, 2010 Revenues	Expenses
euros	11%	5%
British pound	13	6
Japanese yen	6	5
Other	—	3
Total	30%	19%

	Year Ended December 31, 2011 Revenues	Expenses
euros	10%	5%
British pound	9	6
Japanese yen	8	5
Other	1	3
Total	28%	19%

As of December 31, 2010 and 2011, we had \$3.5 million and \$5.0 million, respectively, of receivables denominated in currencies other than the U.S. dollar. We also maintain cash accounts denominated in currencies other than the local currency, which exposes us to foreign exchange rate movements.

In addition, although our foreign subsidiaries have intercompany accounts that are eliminated upon consolidation, these accounts expose us to foreign currency exchange rate fluctuations. Exchange rate fluctuations on short-term intercompany accounts are recorded in our consolidated statements of operations under “other income (expense), net”, while exchange rate fluctuations on long-term intercompany accounts are recorded in our consolidated balance sheets under “accumulated other comprehensive income (loss)” in stockholders’ equity, as they are considered part of our net investment and hence do not give rise to gains or losses.

Currently, our largest foreign currency exposures are the euro and British pound, primarily because our European operations have a higher proportion of our local currency denominated expenses. Relative to foreign currency exposures existing at December 31, 2010, a 10% unfavorable movement in foreign currency exchange rates would expose us to significant losses in earnings or cash flows or significantly diminish the fair value of our foreign currency financial instruments. For the year ended December 31, 2010, we estimated that a 10% unfavorable movement in foreign currency exchange rates would have decreased revenues by $1.3 million, decreased expenses by $1.2 million and decreased operating income by $127,000. For the year ended December 31, 2011, we estimated that a 10% unfavorable movement in foreign currency exchange rates would have decreased revenues by $1.8 million, decreased expenses by $1.5 million and decreased operating income by $303,000. The estimates used assume that all currencies move in the same direction at the same time and the ratio of non-U.S. dollar denominated revenue and expenses to U.S. dollar denominated revenue and expenses does not change from current levels. Since a portion of our revenue is deferred revenue that is recorded at different foreign currency exchange rates, the impact to revenue of a change in foreign currency exchange rates is recognized over time, and the impact to expenses is more immediate, as expenses are recognized at the current foreign currency exchange rate in effect at the time the expense is incurred. All of the potential changes noted above are based on sensitivity analyses performed on our financial results as of December 31, 2010 and 2011.

Interest rate risk

We had unrestricted cash and cash equivalents totaling $17.2 million at December 31, 2011. These amounts were invested primarily in money market funds and are held for working capital purposes. We do not use derivative financial instruments in our investment portfolio. We did not hold any short-term or long-term investments at December 31, 2011 and were not subject to significant interest rate risk.

We believe that our existing cash and cash equivalents will be sufficient to meet our anticipated working capital and capital expenditure needs over at least the next 12 months.

Inflation risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

BUSINESS

Overview

Brightcove is a leading global provider of cloud-based solutions for publishing and distributing professional digital media. Brightcove Video Cloud, or Video Cloud, our flagship product released in 2006, is the world's leading online video platform. As of December 31, 2011, we had 3,872 customers in over 50 countries, including many of the world's leading media, retail, technology and financial services companies, as well as governments, educational institutions and non-profit organizations. In 2011, our customers used Brightcove Video Cloud to deliver an average of approximately 743 million video streams per month, which we believe is more video streams per month than any other professional solution.

Widespread and growing broadband adoption, rapid growth in online video viewership, the proliferation of new Internet-connected devices and the emergence of social media have radically changed the way in which people interact with and consume content online. Organizations now seek to manage growing libraries of content and media, create compelling branded user experiences and deliver those experiences across a wide range of Internet-connected devices such as PCs, smartphones, tablets and televisions. These processes can be complex, expensive and time-consuming.

Video Cloud enables our customers to publish and distribute video to Internet-connected devices quickly, easily and in a cost-effective and high-quality manner. Our innovative technology and intuitive user interface give customers control over a wide range of features and functionality needed to publish and deliver a compelling user experience, including content management, format conversion, video player styling, distributed caching, advertising insertion, content protection and distribution to diverse device types and multiple websites, including their own websites, partner websites and social media sites. Video Cloud also includes comprehensive analytics that allow customers to understand and refine their engagement with end users.

In May 2011, we announced the release of Brightcove App Cloud, or App Cloud. We made our first commercial sale of App Cloud in September 2011 and made App Cloud generally commercially available in November 2011. App Cloud is a software application development and management platform designed to help customers publish and distribute video and other professional digital media through software applications across multiple Internet-connected devices. We refer to these applications as content apps. We believe App Cloud will serve the market for the development and management of content apps much like Video Cloud serves the market for publishing and distributing video content online.

We generate revenue by offering our products to customers on a subscription-based, software as a service, or SaaS, model. Our revenue grew from $24.5 million in the fiscal year ended December 31, 2008 to $63.6 million in the fiscal year ended December 31, 2011 and the number of customers using our products grew from 549 as of December 31, 2008 to 3,872 as of December 31, 2011. To date, substantially all of our revenue has been attributable to our Video Cloud product. Our consolidated net loss was $17.8 million for the fiscal year ended December 31, 2010, compared to $17.3 million for the fiscal year ended December 31, 2011. We expect to continue to invest in the growth of our business and operations, and we expect to incur operating losses on an annual basis through at least the end of 2012.

Our Mission

Our mission is to publish and distribute the world's professional digital media. This has been our mission since our founding in 2004.

Our Market and Industry

Industry Trends

We believe there is a large and growing market opportunity for our on-demand software solutions. This market opportunity is being created, directly and indirectly, by several important trends:

- *Many consumers are now equipped with high-speed broadband connections.* Infonetics Research reported that there were 500 million fixed line broadband subscribers worldwide in 2010.[(1)] In the same report, Infonetics Research projected that the number of mobile broadband subscribers worldwide will grow from 558 million in 2010 to 2 billion by 2015.[(2)]
- *The cost of creating and producing professional video content has dropped dramatically.* HD video camera technology that once cost thousands of dollars is now a common feature in leading Apple iOS and Android smartphones. Prices for professional video editing systems have decreased by 70% to 80% in the past decade, according to a report by market research firm, Frost & Sullivan,[(3)] and video editing software is available for free to licensed users of Microsoft Windows and Apple OSX operating systems.
- *Video content consumption has become a mainstream online activity for consumers.* In 2011, Internet video was expected to represent 40% of all consumer Internet traffic worldwide and is forecasted to expand to 62% of all consumer Internet traffic by 2015 according to Cisco.[(4)] According to comScore, U.S. consumers viewed more than 5.6 billion online videos during May 2011, representing approximately 16 hours of online video viewing per viewer.[(5)] While a significant portion of this video traffic is non-professional content, we believe the rapid acceptance of online video viewing by consumers is driving professional content owners to adopt online video distribution.
- *Smartphones and tablets are rapidly becoming mainstream tools for consuming digital media.* Smartphone vendors were expected to ship more than 303 million smartphones in 2010 and were expected to ship more than 450 million units in 2011, according to market research firm, IDC.[(6)] Nearly 17 million tablet units shipped in 2010, and 44 million units and 71 million units are forecasted to be shipped in 2011 and 2012, respectively, according to IDC.[(7)] The current generation of smartphones and tablets are designed for high-speed Internet connectivity and digital media consumption. According to Cisco, video was estimated to account for over 49% of mobile data traffic in 2010 and is expected to grow to 66% by 2015.[(8)] Based on feedback from our customers, we believe they are increasingly interested in mobile distribution.
- *Increasingly, next-generation content experiences are being driven through new Internet-connected consumer electronics such as televisions, or Connected TVs, TV accessories and gaming consoles.* According to DisplaySearch, nearly 20% of all televisions shipped in 2010 featured Internet connection capabilities, and this number is expected to grow approximately 30% annually to reach 123 million units shipped by 2014.[(9)] We believe these emerging platforms will develop into distribution channels that enable online publishers to engage more directly with their audience.
- *The number of content apps is growing rapidly.* We believe that organizations are increasingly making content apps a core part of their content distribution strategy. The total number of apps was expected to

(1) Infonetics Research—Mobile broadband subscribers overtake fixed broadband, June 7, 2011
(2) Infonetics Research—Mobile broadband subscribers overtake fixed broadband, June 7, 2011
(3) Frost & Sullivan—World Video Nonlinear Editing Market N715-70
(4) Cisco Systems, Inc.—Cisco Visual Networking Index: Forecast and Methodology, 2010–2015
(5) comScore—comScore Releases May 2011 U.S. Online Video Rankings, June 17, 2011
(6) IDC—IDC Forecasts Worldwide Smartphone Market to Grow by Nearly 50% in 2011, March 29, 2011
(7) IDC—IDC's Worldwide Quarterly Media Tablet and eReader Makes Its Debut, Projects Nearly 17 Million Media Tablets Shipped Worldwide in 2010, January 18, 2011
(8) Cisco Systems, Inc.—Cisco Visual Networking Index: Global Mobile Data Traffic Forecast Update, 2010–2015
(9) DisplaySearch—Connected TVs Forecast to Exceed 123M Units in 2014, April 25, 2011

grow rapidly in 2011, with 750,000 apps in the Apple iTunes App Store, doubling from 375,000 since 2010, and 550,000 apps in the Google Android Market, an increase of 400,000 apps over the 150,000 that were available in 2010, according to IDC.[10]

- *Social media destinations such as Facebook and Twitter are becoming important channels for discovering and distributing digital media.* In response to the rising reach and influence of social media destinations, organizations are increasingly bringing their content to popular social media platforms. There are now millions of Facebook pages, including approximately 3,600 Facebook pages with more than one million fans each as of December 2011. Similarly, an increasing number of organizations are actively sharing content through Twitter.

Expanding Challenges of Publishing and Distributing Professional Digital Content

Building and operating a solution to manage, publish and distribute professional digital content is hard and expensive. Organizations need to manage a multitude of tasks for disparate types of content and publish and distribute this content across multiple device types and through various distribution channels.

- The tasks include uploading, encoding, tagging with metadata, organizing libraries, scheduling content availability, customizing presentation of content to reflect an organization’s brands, monetizing content and generating reports on the performance of content.
- The types of content include short-form, long-form, live, licensed and user-generated video content, each with different characteristics.
- The device types include PCs, smartphones, tablets, Connected TVs, game consoles and other Internet-connected devices, each of which receive, distribute and present content in different formats and configurations.
- The distribution channels include an organization’s own websites, the websites of an organization’s distribution partners, video-sharing sites and social media destinations.
- Larger organizations operate their digital content initiatives through multiple users, who may be located in distributed locations or teams.

Solving each of these challenges requires significant investments of time, resources and money. We believe the combination of the rapid development of the industry trends summarized above and each new technological innovation will further expand the complexity and cost of successfully managing, publishing and distributing digital content.

Existing Solutions are Inadequate

Video-sharing sites. Video-sharing sites, such as YouTube, do not meet many of the needs of content owners. These sites can serve as basic distribution channels for organizations, but have significant limitations. Video-sharing sites generally:

- keep some or all of the advertising revenue generated by their customer’s content;
- aggregate content from multiple organizations on the same web page, which may result in presentation of content from competitors or content which otherwise detracts from an organization’s brand;
- limit the presentation of long-form content and do not provide support for live broadcasts;
- do not enable digital rights management protections;
- do not offer automated or dynamic scheduling;
- disproportionately feature their own brand at the expense of the content owner’s brand;

(10) IDC—IDC Predictions 2011: Welcome to the New Mainstream, December 2010

- do not offer service level agreements to their customers or provide customer support; and
- do not offer organizations a multi-user administrative environment.

In-house video solutions. Many professional content owners believe that video-sharing sites are insufficient as their only distribution channel because of the limitations described above. Some of these organizations instead develop their own in-house video solutions by integrating discrete technologies and custom software development. However, many of these organizations are discovering that in-house solutions have significant limitations. In-house solutions generally:

- lack technical functionality and are unable to scale as organizations grow or their video usage increases;
- are unable to manage and serve larger libraries of content stored across different systems within an organization; and
- are time-consuming and expensive to create.

In our experience, we have also found that organizations are unwilling or unable to make the sustained level of investment necessary to build and maintain a successful in-house solution. Additionally, we have found that organizations are unwilling or unable to address the growing diversity of technology and Internet-connected devices and the innovation required to keep pace with the evolving online world.

Potential Market Opportunity

As a result of the industry trends described above, publishing and distributing digital content in a high-quality manner is becoming a critical strategy for many organizations worldwide. We believe there is a significant opportunity to offer a comprehensive outsourced solution through a SaaS, or software as a service, model to address the increasingly complex and expensive requirements of organizations seeking to publish and distribute professional digital media. We believe that our total potential market opportunity consists of the users of three distinct solutions: online video platforms, video-sharing sites and in-house solutions.

Published reports from third-party research firms forecast future online video platform revenues. These reports aggregate the revenues they estimate are captured by outsourced online video platform providers and apply growth rates to those estimates for future years based on factors which vary from report to report. Using this approach, these reports contain estimates for online video platform revenues that range from $255 million to $898 million for 2011 and forecast that online video platform revenues will grow to between $466 million and $2.1 billion in 2014. Two of the research firms forecast revenues through 2015 and estimate that such revenues will grow to between $569 million and $1.0 billion in 2015. The research firm with the highest forecast for 2014 does not provide a forecast for 2015.

We believe our total potential market opportunity is larger than the forecasted vendor revenues contained in the third-party research reports described above, primarily because we believe that all current users of video-sharing sites and in-house solutions are potential users of outsourced online video platform solutions. Given the limitations of video-sharing sites and in-house solutions described above, we believe that a significant portion of the users of these other solutions will convert to online video platforms.

We estimate that our total potential market opportunity was approximately $2.3 billion in 2011, growing to approximately $5.8 billion in 2015. These estimates are based on the following methodology. We started with our belief that every organization with a website or digital content is a potential customer. Based on our experience with our customers and industry knowledge, we then separated the top 500,000 websites ranked by the number of unique visitors to those websites per month[11] into six tiers that we deemed to have similar requirements for publishing and distributing digital content. Out of the remaining approximately 150 million active websites[12], we included a seventh tier comprised of 9.5 million of these websites, based on our experience

(11) Alexa Internet, Inc. -- www.alexa.com
(12) Netcraft Ltd. -- www.netcraft.com

with customer adoption of our products and industry trends. We estimated the number of sites within each tier that we believe, based on our industry knowledge and experience, are candidates to outsource an online video platform. We estimated the potential average annual sales price to each potential customer for an outsourced online video platform, based on our experience with our existing customers within each tier, and assumed the average remains constant through 2015. Within each respective tier, we assumed that the spending habits of our customers are representative of the spending habits of potential customers. After using this methodology to estimate our total potential market opportunity in 2011, we assumed a compound annual growth rate of 26%, based on a third-party estimate of web traffic growth, to estimate our total potential market opportunity in 2015.

Our Solution

Video Cloud provides our customers with the following key benefits:

- *Comprehensive, highly configurable and scalable solution*. Video Cloud includes all of the features and functionality necessary to publish and distribute video online to a broad range of Internet-connected devices in a high-quality manner. We provide organizations with control over uploading and encoding, content management, player styling, delivery, distribution, monetization, analytics and integration with third-party technologies. In addition, our multi-tenant architecture enables us to deliver our solution across our customer base with a single version of our software, making it easier to scale our solution as our customer and end user base expands.
- *Easy to use and low total cost of ownership*. We designed Video Cloud to be intuitive and easy-to-use, empowering anyone within an organization to publish and distribute video online. We provide a reliable, cost-effective, on-demand solution to our customers, relieving them of the cost, time and resources associated with in-house solutions and enabling them to be up and running within minutes of signing with us.
- *Open platform and extensive ecosystem.* Our open and extensible platform enables our customers to customize standard Video Cloud features and functionality and easily integrate third-party technology as necessary to meet their own specific requirements and business objectives. We have an extensive ecosystem of technology and solution partners, which we refer to as the Brightcove Alliance. More than 100 Brightcove Alliance members have built solutions that rely upon, or are already integrated with, our platform. This ecosystem includes large technology service providers such as Adobe and Google, many providers of niche technology services, creative agencies and digital development shops. These integrated technologies provide our customers with enhanced flexibility, functionality and ease of use.
- *Help customers grow their audience and generate revenue*. Our customers use our product to achieve key business objectives such as driving site traffic, increasing viewer engagement on their sites, increasing conversion rates for transactions, increasing brand awareness and expanding their audiences. We provide our customers with video advertising features such as tools for ad insertions and built-in ad server and network integrations, which help our customers generate advertising revenue from their audience. We believe our customers view us as a strategic partner in part because our business model is not dependent on building our own audience or generating our own advertising revenue. Our business interests align with our customers' interests as we each benefit from the success of our customers' online strategy.
- *Ongoing customer-driven development*. Through our account managers, customer support team, product managers and regular outreach from senior leadership, we solicit and capture feedback from our customer base for incorporation into ongoing enhancements to our platform. Since 2008, we have provided our customers with enhancements to our platform on average one to two times every month. Delivering cloud-based solutions allows us to serve additional customers with little incremental expense and to deploy innovations and best practices quickly and efficiently to our existing customers.

Our Business Strengths

We believe that the following business strengths differentiate us from our competitors and are key to our success:

- *We are the recognized online video platform market leader.* As of December 31, 2011, Video Cloud was used by 3,872 customers in over 50 countries. In 2011, our customers used Video Cloud to deliver an average of approximately 743 million video streams per month, which we believe is more video streams per month than any other professional solution. In December 2011, our customers used Video Cloud to reach over 177 million unique viewers on over 94,000 websites. In its 2009 report on U.S. online video platforms, Forrester Research rated our product as the most comprehensive. Streaming Media awarded Brightcove a Readers' Choice Award for Best Premium Online Video Platform in 2009 and 2010 and for Online Video Platform in 2011, and Frost & Sullivan awarded us the Global Market Share Leadership Award in Online Video Platforms in 2011.
- *We have a demonstrated track record of innovation and technology leadership*. We pioneered the commercialization of online video platforms beginning with our first customer deployment in 2006. We have consistently released new features and functionality that have added to and improved our core technology. For example, although we initially built Video Cloud with a focus on delivering video to PCs via Adobe Flash technology, with the emergence of smartphones, we quickly adapted our platform's capabilities to handle multi-device delivery using both Adobe Flash and HTML5 technologies. Also, in April 2011, we were issued a U.S. patent covering aspects of publishing and distributing digital media online. Our latest innovation is the development and introduction of App Cloud.
- *We have established a global presence*. We have established a global presence, beginning with our first non-U.S. customer in 2007, and continuing with the expansion of our operations into Europe, Japan and Asia Pacific. We built our solutions to be localized into almost any language and currently offer 24/7 customer support worldwide. Today, we have employees in eight countries. As of December 31, 2011, organizations throughout the world used Video Cloud to reach viewers in approximately 230 countries and territories. During 2011, more than half of Video Cloud streams were delivered outside the United States.
- *We have high visibility and predictability in our business.* We sell our subscription and support services through monthly, quarterly or annual contracts and recognize revenue over the life of the committed term. The majority of our revenue comes from annual contracts. The predictable revenue recognition of our existing contracts provides us with visibility into revenue that has not yet been recognized. We have also achieved an overall recurring dollar retention rate of at least 86% in each of the last eight fiscal quarters, including 94%, 93%, 94% and 93% for the three months ended March 31, 2011, June 30, 2011, September 30, 2011 and December 31, 2011, respectively. Our business model and customer loyalty provides greater levels of recurring revenues and predictability compared to traditional, perpetual-license business models.
- *We have customers of all sizes across multiple industries.* We offer different editions of Video Cloud tailored to meet the needs of organizations of various sizes, from large global enterprises to small and medium-sized businesses, across industries. Our Video Cloud offerings range from self-service, entry-level editions to enterprise-level editions used by multiple departments in a single organization.
- *Our management team has experience building and scaling software companies.* Our founders and senior leadership team have built innovative software platform businesses. Our founders and senior leadership team have held senior product, business and technology roles at companies such as Adobe, Allaire, ATG, EMC, Lycos, Macromedia and Phase Forward.

Our Customers

As of December 31, 2011, we had 3,872 customers of all sizes in over 50 countries. We provide our solutions to many of the world's leading media, retail, technology and financial services companies, as well as governments, educational institutions and non-profit organizations. Our target markets are not confined to certain industries or geographies as we are focused on providing solutions that can benefit any organization with a website or digital content. We believe our business is not substantially dependent on any particular customer as no individual customer represented more than 4% of our revenue in 2009, 2010 or 2011.

The following table sets forth a list of selected customers:

Media	Consumer / Retail	Technology
A&E Television Networks	Burberry	CareerBuilder
AOL	Hallmark Cards	Citrix
BBC Worldwide	Kohler	Cypress Semiconductor
Nikkei	Levi Strauss	Electronic Arts
Rainbow Media	LG Electronics	Epson
Sony Music Entertainment	Macy’s	Intel
The Financial Times	Philips Electronics	Intuit
The New York Times Company	Puma	Lenovo
The Weather Channel	Samsung	Oracle
Virgin Media	Sears	SanDisk

Financial Services	Government, Education and Non-Profits	Miscellaneous
Alliance Bernstein	AARP	Bell Canada
A.M. Best	AFL-CIO	Carnival Cruise Lines
Aon	Rhode Island School of Design	Dentsu
Bank of America	Tate Museum	General Motors
Chubb Group	The Humane Society	Genzyme
Eaton Vance	The U.S. Army	Honda
John Hancock Life Insurance	The U.S. Department of State	IDG
Putnam Investments	UN Development Programme	Miami Dolphins
Société Générale	University of Massachusetts	Rakuten
TheStreet.com	Wharton Executive Education	World Wrestling Entertainment

Case Studies

By using Video Cloud, many Brightcove customers benefit from a significantly lower total cost of ownership for their video initiatives and from growth in the strength of their brands. Many of our customers also derive additional types of business value from Video Cloud that aligns with their specific business objectives. The case studies below illustrate additional business value our customers have achieved by using Video Cloud:

Cinemax used Video Cloud to promote and share content on its website, third party sites, social networks and mobile devices. Cinemax, a premium television network, implemented Video Cloud on its website to promote its content, which includes original series and licensed movie content, and preview full-length episodes of new original programming. With Video Cloud, Cinemax is able to showcase its popular programming and enable viewers to share these clips across third party sites and social networks. Cinemax is also leveraging Video Cloud to ensure its video content is accessible across HTML5 and Flash viewing environments on mobile devices.

Symantec increased conversion rates and decreased average cost-per-lead by implementing Video Cloud. Symantec re-branded and re-launched a popular online video campaign on Video Cloud in 2010 and generated more than 10,000 video views in its first few months online. Symantec also reported that using video significantly decreased the company’s average cost-per-lead.

Tate Museum increased website traffic, video views, and the average time end users spent watching its video content. Tate Museum, which houses the national collection of British art and international modern and contemporary art, implemented Video Cloud to share its collections online and engage users through videos that showcase the voices of the artists and curators working with the organization. Capitalizing on Video Cloud’s ease of use, fast publishing rate and customization capabilities, Tate Museum was able to create and post new videos more quickly and easily. This helped to increase site traffic to 75,000 visits per month, video views to an average of 4,000 per day and time spent viewing videos from two minutes to four minutes.

Gannett reported significant growth in viewer engagement and time spent on its websites with Video Cloud. Gannett owns hundreds of newspaper and broadcast properties, including one of the largest U.S. newspapers, USA Today. Gannett relies on Video Cloud to power ad-supported online video initiatives, share content across its vast network of media properties, and empower reporters in the field to shoot, edit and upload video for distribution. Since launching its video initiatives with Video Cloud, Gannett has reported significant growth in online viewer engagement across its newspaper and television websites, including substantial increases in visitor time on its websites.

Although these case studies demonstrate Video Cloud's ability to help larger organizations, we have many smaller customers who derive many of the same benefits from Video Cloud.

Chateau Montelena, a popular Napa Valley, California-based winery saw a substantial increase in video views and Facebook fan engagement after implementing Video Cloud. Chateau Montelena, an award-winning winery, sought to integrate more personality into its website using online video. The winery needed an online video platform with the versatility to add customizable features while blending seamlessly into its newly redesigned website. After launching with Video Cloud, the customer saw an improvement in video quality and was able to add more variety to its video content to reflect its personality, which resulted in an increase of video views to upwards of 1,000 per month. Video Cloud also enabled Chateau Montelena to increase its Facebook fan following by sharing videos via the social media site.

Growth Strategy

Key elements of our growth strategy are:

- *Acquire new customers.* We believe that every organization with a website or digital content is a potential customer. We believe this market is underserved, and we intend to make significant investments across all areas of our business, including sales, marketing, lead-generation and product development to capitalize on this opportunity.
- *Expand our relationships with existing customers.* As our offerings become increasingly integral to our customers' success, we believe we have the following opportunities to grow our business:
  - *Increase Usage.* We will continue to invest in product development designed to increase website traffic and video viewership for our customers, including by improving the discoverability of our customers' video content through search engines and increasing the number and type of devices and formats to which they can deliver video. We also share with our customers industry best practices and how to implement these practices using Video Cloud.
  - *Expand Deployments with Existing Customers*. We believe a substantial opportunity exists to sell our premium level editions to our growing base of entry-level customers, which include separate divisions of large enterprises. This base has grown to over 2,500 customers since the initial launch of our entry-level edition in November 2009. We have also migrated new customers from single-project and departmental deployments to multi-department deployments by building on the satisfaction and benefits that our customers experience using our platform.
  - *Sell Additional Functionality*. We intend to sell additional functionality and features to our existing customers as their needs become more complex. We intend to expand our offers of heightened customer support and various product modules through internal development, technology partnerships or through technology acquisitions.
- *Continue to innovate*. We plan to continue innovating and bringing to market new solutions and new features on existing solutions. We believe App Cloud is a prime example of this strategy and represents a significant opportunity for growth, both through our existing Video Cloud customers and through new customers that may not focus on video publishing. As the market for online video consumption and content app usage continues to expand, this also represents a substantial opportunity to expand our customers' use of our service.

- *Increase our global market penetration.* We intend to expand our presence in targeted geographies by growing our direct sales force and international sales channels. We began our operations in the United States, have established a substantial presence in Europe, Japan, and the Asia Pacific region and continue to expand globally. We also seek to enter new international markets by establishing distribution partnerships to drive sales. We believe our existing international markets and new markets each represent significant opportunities for growth.
- *Continue to build our brand and drive category awareness.* Since our company was founded, we have invested significantly in building our brand and defining the category for our solutions. With the emergence of content apps, we plan to continue investing in marketing and promotion to enhance our brand and increase awareness of the online video and content app platform categories.
- *Pursue strategic acquisitions.* We plan to pursue acquisitions that complement our existing business, represent a strong strategic fit and are consistent with our overall growth strategy. We may also target future acquisitions to expand or add functionality and capabilities to our existing products.

Our Products and Services

Brightcove Video Cloud

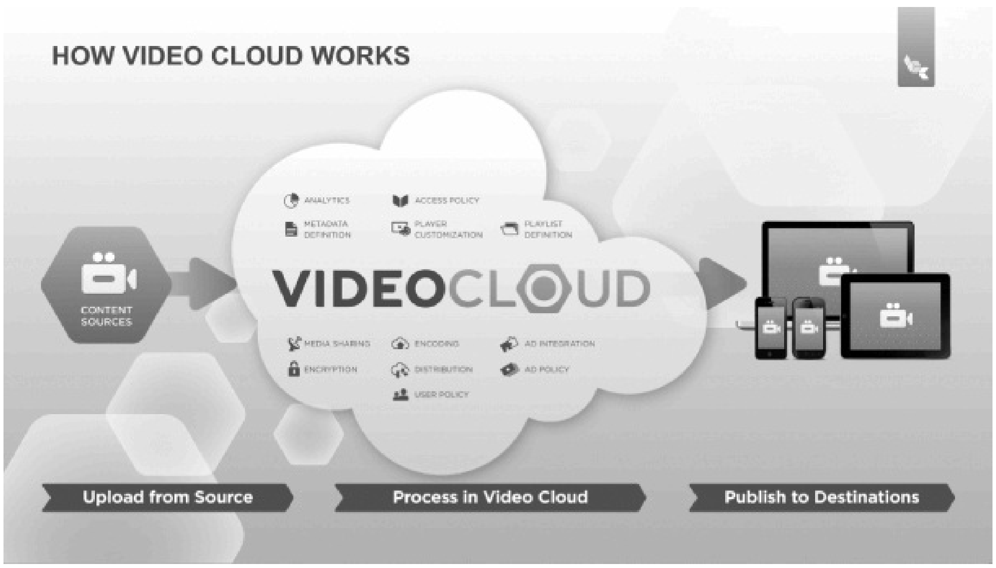
Principal Features and Functionality

- *Uploading and Encoding*. Using Video Cloud, customers may upload single videos, video libraries and related metadata with tools that align with their workflow. We accept video source files in many formats and encode them using adaptive video encoding technology to maximize quality and minimize file size. After videos are uploaded and encoded, we automatically enable the content to be delivered to end users across multiple devices via the delivery services of a third-party content delivery network, or CDN, such as Akamai or Limelight Networks.
- *Content Management*. Whether a customer has a few short video clips or thousands of full-length episodes, Video Cloud makes it easy to organize a media library. Videos can be grouped together with drag-and-drop controls for manual video playlists or smart playlists that automatically organize content. Customers can set rules for geographic access and schedules to define where and when their videos can be viewed.
- *Video Players*. Video Cloud allows for point-and-click styling and configuration of video players that can reflect the brand or design of the customer with tools for customizing colors and graphics. Our video players also include a set of standard features such as full-screen playback, sharing through social media and localized player controls. Developers can also take advantage of a set of tools to create completely custom video player experiences. Online publishers may enable smart player technology that includes device detection that can instruct the video player to render using Adobe Flash or HTML5 in an effort to optimize the experience for the end user.
- *Multi-platform video experiences*. We have built Video Cloud to support numerous operating systems, formats and devices. In addition to web-based experiences, Video Cloud provides publishing and delivery services for cross-platform devices including smartphones and Connected TVs. Our solution includes automated device detection for mobile web experiences that leverage HTML5 technology to allow video experiences to be delivered to devices that do not support Adobe Flash technology. Brightcove's Universal Delivery Service manages multiple renditions of the same video encoded in different forms with optimized delivery protocols for different target formats. This can include Adobe Flash Media Server delivery, progressive download via HTTP or Apple HTTP Live Streaming to iOS devices.
- *Live Video Streaming*. In addition to on-demand video distribution, Video Cloud includes support for live video broadcasts. This is managed in a form that provides consistency with on-demand delivery, allowing video playlists or video players to include a mix of on-demand and live video assets. Video

Cloud accepts multiple streams at different quality levels and delivers the rendition that attempts to best match each viewer's available bandwidth, processor utilization and player size.

- *Distribution and Syndication*. Video Cloud supports a blended distribution strategy across the Internet, allowing customers to distribute videos on their own website, partner websites or video-sharing sites such as YouTube. These tools help content owners to drive site traffic, increase brand awareness and expand their audience. Video Cloud also simplifies content sharing with distribution partners by supporting deep integrations with videos and metadata into their websites. Using our open application programming interfaces, developers can build custom feeds to make content accessible to external sites and applications.
- *Social Media*. Customers can expand their audience by leveraging the social network of their viewers. Through integrated Video Cloud capabilities, users can share videos through Facebook, Twitter and other social media destinations. For example, Brightcove works with Facebook to support embedded playback in the Facebook news feed.
- *Advertising and Monetization*. Video Cloud can help customers grow and monetize their audience. Our platform provides video advertising features with tools for ad insertions and built-in ad server and network integrations. Marketers can increase conversion and drive brand engagement with tools to support synchronized in-player advertising with embedded link functionality and overlays for persistent branding. Video Cloud supports established video ad formats, and accommodates pre-, mid- and post-roll ads with tools to easily define insertion points. For more customized implementations, our advertising software development kits offer more detailed control.
- *Analytics*. Video Cloud's integrated video analytics present information to optimize and support customers' online video publishing and distribution strategy. Reports include audience metrics such as unique viewers and geographic distribution of views. Technology profile reports share details about operating systems and devices. Engagement analytics include viewed minutes and drop-off rates for video viewership. Online publishers can also choose to integrate web analytics solutions such as Adobe Omniture or Google Analytics into their video experiences. They can also leverage a set of application program interfaces that can provide customized insight into user and content behavior.

The following diagram illustrates Video Cloud's principal features and functionality:



Editions

Video Cloud is offered to customers on a subscription-based SaaS model in different editions that include varying levels of functionality, usage entitlements and support. Our customers pay us a monthly, quarterly or annual subscription fee for access to Video Cloud. This model allows our customers to scale their level of investment and usage based on the size and complexity of their needs. We currently offer Video Cloud in the following editions:

- *Video Cloud Express*. Express is an entry-level edition of Video Cloud designed for small and medium-sized businesses or larger organizations looking to manage smaller projects. Customers may initiate a trial and license Express entirely online using a credit card. Most of our Express customers are on month-to-month subscriptions. The Express edition includes functionality for basic professional online video publishing but excludes advanced customization and integration capabilities and is not eligible for advanced add-on services. The Express edition limits the volume of video that can be published and the viewership capacity for the content, but customers have the option of purchasing additional capacity.
- *Video Cloud Pro*. Pro is a premium edition of Video Cloud designed with functionality needed to customize a customer's online video experience, advanced monetization features and more capacity for content libraries and viewership. Most of our Pro customers sign up for annual or longer subscriptions. These customers also have access to a broader range of add-on services as well as access to Brightcove Alliance member products and services.
- *Video Cloud Enterprise*. Enterprise is a premium edition of Video Cloud designed with all of the most advanced features of Video Cloud, including certain capabilities necessary for large organizations running many web properties, advanced security features and advanced reporting services. Most of our Enterprise customers sign up for annual or longer subscriptions. Enterprise also includes significantly more capacity for larger content libraries.

Account Management

A crucial component of our sales strategy is our account management organization. This organization is focused on ongoing customer success and engagement, as well as renewals of all of our customer contracts.

Professional Services

While Video Cloud is easy for customers to use and deploy without any additional specialized services, we offer a range of professional services for customers who seek customization or assistance with their implementations. These professional services are priced on a per project basis and include projects such as content migrations from other vendors or in-house solutions, video player enhancements and the creation of web pages optimized for video.

Support

All Video Cloud editions receive free basic online support for technical and operational issues. Our Pro and Enterprise editions include telephone support during normal business hours. We also offer 24/7 global telephone support to customers paying for premium support packages.

Training

We offer free basic online training to all registered users of Video Cloud. We also offer customized, onsite training for customers that is priced on a per engagement basis.

Brightcove App Cloud

App Cloud is designed to help organizations cost-effectively develop, deploy and manage content apps on smartphones, tablets and other Internet-connected devices.

- *Development*. App Cloud makes it possible for web development teams to create Apple iOS and Google Android apps using open standard technologies and processes, such as HTML5, CSS and JavaScript skills, tools and code libraries, instead of learning new platform-specific skills and processes. We believe that the App Cloud software development kit, out-of-the-box templates optimized for the Apple iOS and Google Android platforms, and visual app creation tools further simplify and accelerate the development process. App Cloud also provides tools that streamline the process of testing apps.
- *Deployment*. App Cloud can generate Apple iOS and Google Android apps in the cloud instead of requiring specialized desktop tools. App Cloud also allows developers to make modifications to apps after they have already been deployed in the Apple iTunes App Store or the Google Android app store and installed by end users. As a result, developers and business users can modify content feeds, the appearance and styling of an app, advertising options and other settings on live apps without resubmitting to the app store or requiring end users to upgrade to a new version of an app.
- *Management & Operations.* App Cloud enables customers to continuously update installed apps with device-optimized content from web content management systems, online video platforms such as Video Cloud, image hosting platforms, and other content repositories. App Cloud also enables advertising directly within an app through third party ad systems and provides analytics that help app creators measure and improve the success of their apps and their content.

We made our first commercial sale of App Cloud in September 2011 and made App Cloud generally commercially available in November 2011. App Cloud is currently available in two editions. The Free Edition allows a single user to develop and test an unlimited number of apps without commercial deployment. Users can sign up for the Free Edition on our website. The Enterprise Edition allows multiple developers and business users to develop, deploy and manage a fixed number of apps on an annual paid subscription basis. The Enterprise Edition can be customized with varying levels of apps and accounts to allow our customers to scale their level of investment and usage based on the size and complexity of their needs.

Sales and Marketing

We sell our products primarily through our global direct sales organization. Our sales team is organized by the following geographic regions: North America, Europe, Japan, and Asia Pacific. We further organize our sales force into teams focused on selling to specific customer groups, based on the size of our prospective customers, such as small, medium-sized and enterprise, as well as vertical industry, to provide a higher level of service and understanding of our customers' specific needs. A small but growing amount of sales are also generated through referral partners, channel partners and resellers.

We generate customer leads, accelerate sales opportunities and build brand awareness through our marketing programs. Our marketing programs target executives, technology professionals and senior business leaders. Like our sales teams, our marketing team and programs are organized by geography, organization size and industry segment. Our principal marketing programs include:

- public relations and social media;
- online event marketing activities, direct email, search engine marketing and display advertising and blogs;
- field marketing events for customers and prospects;
- participation in, and sponsorship of, user conferences, trade shows and industry events;

- use of our website to provide product and organization information, as well as learning opportunities for potential customers;
- cooperative marketing efforts with partners, including joint press announcements, joint trade show activities, channel marketing campaigns and joint seminars;
- telemarketing and lead generation representatives who respond to incoming leads to convert them into new sales opportunities; and
- customer programs, including user meetings and our online customer community.

Operations

We operate two data center facilities in the greater Boston area, one data center facility in the greater Chicago area and also use third-party cloud computing platforms. We operate our own servers for systems that manage meta-data, business rules and archival storage of media assets. We take advantage of geographically dispersed third-party cloud computing capacity to improve the responsiveness of our service and lower network latency for our customers.

Media delivery to end users, including video, audio, images, JavaScript, and Adobe Flash components, is served primarily through Brightcove's CDN providers, Akamai Technologies, Inc., or Akamai, and Limelight Networks, Inc., or Limelight. We believe our agreements with Akamai and Limelight are based on competitive market terms and conditions, including service level commitments from these CDN providers.

We entered into our agreement with Akamai in July 2010. It enables us to use Akamai CDN services for our own benefit and to resell Akamai CDN services to our customers in every geographic location in which we offer our products. The initial term of this agreement is thirty-nine months, expiring in October 2013. This agreement does not contain material minimum usage requirements or material minimum financial obligations.

We entered into our agreement with Limelight in March 2006 and have amended and extended this agreement on four occasions. The current expiration date of the agreement is December 14, 2011. Our agreement with Limelight enables us to use Limelight CDN services for our own benefit and to resell Limelight CDN services to our customers in every geographic location in which we offer our products. This agreement does not contain material minimum usage requirements or material minimum financial obligations.

Each agreement contains a service continuation period following expiration of the agreement which we believe is sufficient to enable transition to an alternative provider to avoid material disruption to our business or to our customers. Our agreement with Akamai provides that, upon termination for any reason, Akamai will continue to provide CDN services to our existing customers for up to twelve months. Our agreement with Limelight provides that, upon termination for any reason, Limelight will continue to provide CDN services for our benefit for up to six months.

Our agreement with Limelight is currently in the service continuation period. We are actively engaged in renewal discussions with Limelight and believe the agreement will be renewed or the term of the agreement will be extended again prior to the expiration of the service continuation period on June 11, 2012. If our agreement with Limelight is not renewed or extended as anticipated, we believe we can transition all of our content delivery to Akamai or alternative providers of CDN services without material disruption of service to our customers.

Intellectual Property

We rely principally on a combination of trademark, patent, copyright and trade secret laws in the United States and other jurisdictions, as well as confidentiality procedures and contractual provisions to protect our proprietary technology, confidential information, business strategies and brands. We also believe that factors such as the technological and creative skills of our employees and personnel coupled with the creation of new features, functionality and products are essential to establishing and maintaining a technology leadership position. We enter into confidentiality and invention assignment agreements with our employees and consultants and confidentiality agreements with other third parties, and we rigorously control access to our proprietary technology.

We have one issued patent and four patent applications pending in the United States. Our issued patent expires in 2029 and covers aspects of publishing and distributing digital media online. We currently have patent applications pending in Europe, Hong Kong and Japan and we may seek coverage in additional jurisdictions to the extent we determine such coverage is appropriate and cost-effective.

Our registered trademarks in the United States include “BRIGHTCOVE”, “BRIGHTCOVE.COM” and our logo. These trademarks are also registered in certain non-U.S. jurisdictions, including the European Union. We may apply for registrations for these and other marks in additional jurisdictions to the extent we determine such coverage is appropriate and cost-effective.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or obtain and use our technology to develop products with the same functionality as our solutions. Policing unauthorized use of our technology is difficult and expensive. Our competitors could also independently develop technologies equivalent to ours, and our intellectual property rights may not be broad enough for us to prevent competitors from selling products incorporating those technologies.

Competition

We compete with video-sharing sites such as YouTube, in-house solutions and other online video platforms. Some of our actual and potential competitors may enjoy competitive advantages over us, such as larger marketing budgets, as well as greater financial, technical and other resources. The overall market for cloud-based solutions for publishing and distributing professional digital media is fragmented, rapidly evolving and highly competitive.

We expect that the competitive landscape will change as our market consolidates and matures. We believe the principal competitive factors in our industry include the following:

- total cost of ownership;
- breadth and depth of product functionality;
- ability to innovate and respond to customer needs rapidly;
- level of resources and investment in sales, marketing, product and technology;
- ease of deployment and use of solutions;
- level of integration into existing workflows, configurability, scalability and reliability;
- customer service;
- brand awareness and reputation;
- ability to integrate with third-party applications and technologies;
- size and scale of provider; and
- size of customer base and level of user adoption.

The mix of factors relevant in any given situation varies with regard to each prospective customer. We believe we compete favorably with respect to all of these factors.

Some of our competitors have made or may make acquisitions or enter into partnerships or other strategic relationships to offer a more comprehensive service than we do. These combinations may make it more difficult for us to compete effectively, including on the basis of price, sales and marketing programs, technology or service functionality. We expect these trends to continue as organizations attempt to strengthen or maintain their market positions.

Employees

As of December 31, 2011, we had 312 employees, of which 27 provided customer support services, 25 provided professional services, 94 were in research and development, 124 were in sales and marketing and 42 were in general and administrative positions. Of these employees, 254 were located in the United States and 58 were located outside of the United States. None of our employees is represented by a labor union or covered by a collective bargaining agreement. We consider our relationship with our employees to be good.

Facilities

Our corporate headquarters are located in Cambridge, Massachusetts. We occupy 33,621 square feet pursuant to a lease that terminates April 1, 2012. We have a lease in place for over 80,000 square feet at our new corporate headquarters in Boston, Massachusetts starting April 1, 2012. We also lease office space in Seattle, Washington; New York, New York; London, England; Paris, France; Hanover, Germany; Barcelona, Spain; Tokyo, Japan; Sydney, Australia; Seoul, South Korea; and Singapore. We believe our facilities are adequate for our current needs.

Legal

We are parties to various legal matters and claims arising in the ordinary course of business. We do not expect that the final resolution of any of these matters will have a material adverse impact on our financial statements.

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MANAGEMENT

Executive Officers and Directors

The following table sets forth certain information about our executive officers and directors, including their respective ages and positions, as of December 31, 2011:

Name	Age	Position
Jeremy Allaire	40	Chief Executive Officer and Chairman
David Mendels	45	President and Chief Operating Officer, Director
Christopher Menard	37	Chief Financial Officer
Andrew Feinberg	47	Chief Legal Officer
Edward Godin	48	Chief People Officer
Deborah Besemer(1)(2)(3)	57	Director
James Breyer(3)	50	Director
Scott Kurnit(1)	57	Director
Elizabeth Nelson(2)(3)	51	Director
David Orfao(1)(2)	52	Director

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

Jeremy Allaire has served as our Chief Executive Officer and Chairman since he co-founded Brightcove in 2004. Prior to founding Brightcove, Mr. Allaire served as a technologist and entrepreneur-in-residence for venture capital firm General Catalyst Partners from March 2003 to August 2004. Before joining General Catalyst, Mr. Allaire was Chief Technology Officer of Macromedia, Inc., a software company, from January 2001 to February 2003. Mr. Allaire joined Macromedia in January 2001 in connection with its merger with Allaire Corporation, a software company, where Mr. Allaire was a co-founder and Chief Technology Officer. Mr. Allaire holds a B.A. in philosophy and political science from Macalester College. Mr. Allaire was selected to serve on our board of directors due to the perspective and experience he brings as our Chief Executive Officer and his extensive background in the Internet and software industries.

David Mendels has served as our President and Chief Operating Officer since 2010 and has served as one of our directors since 2009. Prior to joining Brightcove, Mr. Mendels served as Senior Vice President and General Manager at Adobe Systems Incorporated, a software company, from December 2005 to August 2008. Mr. Mendels had no full time employment between leaving Adobe in 2008 and joining our board in 2009. He joined Adobe when it acquired Macromedia, where he was a member of the executive team and Executive Vice President and General Manager. Mr. Mendels joined Macromedia in 1992 and served in many roles, including leading Japan sales and establishing Macromedia K.K. in the 1990s, leading Worldwide Marketing, and as General Manager of Macromedia's web publishing business unit. Mr. Mendels holds a B.A. in East Asian Studies from Wesleyan University and an M.A. in Japanese from the University of California at Berkeley. Mr. Mendels was selected to serve on our board of directors due to his extensive background in the Internet and software industries.

Christopher Menard has served as our Chief Financial Officer since 2010. Prior to joining Brightcove, Mr. Menard was at Phase Forward Incorporated, a provider of enterprise software and services for clinical trials and drug safety, where he served as Chief Financial Officer from April 2009 to October 2010 and as Vice President of Finance from October 2006 to April 2009. Mr. Menard received an M.B.A. from Boston College and a B.S. in business administration from Babson College.

Andrew Feinberg has served as our Chief Legal Officer since 2005. Prior to joining Brightcove, Mr. Feinberg was at Lycos, a search engine provider, from 1999 to 2005, serving as Vice President and General Counsel from 2001 to 2005. Before joining Lycos, Mr. Feinberg was an attorney with Choate, Hall & Stewart, LLP in Boston, Massachusetts from 1997 to 1999 and with Shearman & Sterling LLP in New York, New York from 1991 to 1997. Before joining Shearman & Sterling, Mr. Feinberg served as a Law Clerk to United States District Judge T.F. Gilroy Daly in the District of Connecticut. Mr. Feinberg received his J.D. from Cornell Law School, where he was an Editor of the Cornell Law Review, and his B.A. from Tufts University.

Edward Godin has served as our Chief People Officer since May 2007. Prior to joining Brightcove, Mr. Godin was a founding Principal of MentisNetwork LLC, a strategic human resources consulting firm, from June 2002 to May 2007. Before MentisNetwork, Mr. Godin was Executive Vice President, Human Resources for Razorfish, Inc., an interactive marketing and technology company, from June 1998 to June 2002. Mr. Godin holds a B.A. from the College of the Holy Cross.

Deborah Besemer has served as one of our directors since 2008. Ms. Besemer currently serves on the board of Gemvara Inc., an e-commerce designer jewelry company. From May 2009 until March 2010, Ms. Besemer held the position of CEO of Gemvara Inc. From 1999 to 2006, Ms. Besemer served as President and CEO of BrassRing, a provider of talent management solutions. Ms. Besemer had no full time employment between leaving BrassRing in 2006 and joining Gemvara in 2009. From December 1997 to July 1998, Ms. Besemer held the position of President of Systemsoft Corporation, a software company, and from June 1986 to November 1997 she was at Lotus Development Corporation, a software company, most recently as Executive Vice-President of Worldwide Field Operations. She has served on the board of Double-Take Software, Inc., a provider of information availability software, and several private software companies, including My Perfect Gig, a human resources software company, Bullhorn, a recruiting software company, Kubisoft, Inc., a collaborative software company, Systemsoft Corporation and Eprise Corporation, a talent management solutions company. She is a former Chairperson of the Massachusetts Software Council (now known as the Massachusetts Technology Leadership Council) and served on their Board of Trustees for nine years. Ms. Besemer holds a B.A. in French from Cedar Crest College and an M.B.A. from Rutgers University. Ms. Besemer was selected to serve on our board of directors due to her extensive experience in leadership and sales positions in online service companies.

James Breyer has served as one of our directors since 2004. Mr. Breyer has been a partner of Accel Partners, a venture capital firm and one of our stockholders, since 1987. Mr. Breyer has served on the boards of Wal-Mart Stores, Inc., a worldwide operator of retail stores, since 2001 and is currently the lead independent director, Dell Inc., a worldwide merchant of technology products and services, since 2009 and is currently the chairman of the Finance Committee, and Prosper Marketplace Inc., a peer-to-peer lending platform, since 2005. Mr. Breyer served on the board of Marvel Entertainment, Inc., a character-based entertainment company, from 2006 to 2009. He also serves on the boards of numerous privately-held companies including Facebook, Inc., a worldwide social network. Mr. Breyer is a member of the Board of Associates of the Harvard Business School and is Chairman of the Stanford Engineering Venture Fund. Mr. Breyer holds a B.S. from Stanford University and an M.B.A. from Harvard University, where he was named a Baker Scholar. Mr. Breyer was selected to serve as a director on our board of directors due to his extensive background in the venture capital industry, his experience providing guidance and counsel to a wide variety of Internet and technology companies, and his service on the boards of directors of a range of public and private companies.

Scott Kurnit has served as one of our directors since 2005. Mr. Kurnit founded AdKeeper, Inc., an online advertising company, in 2010 and is currently its Chairman and Chief Executive Officer. Prior to founding AdKeeper, Mr. Kurnit founded and served as Chairman and Chief Executive Officer of About, Inc., an online resource company. Mr. Kurnit serves on the boards of AdKeeper, an online advertising services company, Appssavvy, a social media advertising company, OpenSky, a social network of shoppers, SendMe Mobile, a provider of games and content for mobile phones, and The Paley Center for Media, an organization dedicated to advancing the understanding of media. He is an advisor to About, Inc., BlackArrow, Inc., an advertising technology company, Mashery, Inc., a provider of API management services, and SmartBrief, a media company.

Mr. Kurnit holds a B.A. in sociology and communications from Hampshire College. Mr. Kurnit was selected to serve as a director on our board of directors due to his extensive background and leadership positions with Internet, media and technology companies.

Elizabeth Nelson has served as one of our directors since 2010. Ms. Nelson currently serves on the boards of Ancestry.com, an online family history website, LivingSocial Inc., an internet commerce company, SuccessFactors, Inc., a human resources software company, and Yodlee, Inc., an online banking solution provider. Ms. Nelson currently chairs the audit committees of Ancestry.com, LivingSocial and Yodlee. From 1996 to 2005, Ms. Nelson served as the Executive Vice President and Chief Financial Officer at Macromedia, Inc., where she also served as a director from January 2005 to December 2005. Prior to joining Macromedia, Ms. Nelson held various roles in finance and corporate development at Hewlett-Packard Company, an information technology company. Ms. Nelson served as a director of Autodesk Inc., a design software company, from 2007 to 2010, and of CNET Networks, Inc., an Internet media company, from 2003 to 2008. Ms. Nelson holds an M.B.A. in Finance with distinction from the Wharton School at the University of Pennsylvania and a B.S. from Georgetown University. Ms. Nelson was selected to serve as a director on our board of directors due to her financial and accounting expertise from her prior extensive experience in finance roles with both public and private corporations. Ms. Nelson qualifies as an “audit committee financial expert” under SEC guidelines. In addition, her current service on other public company boards of directors provides us with important perspectives on corporate governance matters.

David Orfao has served as one of our directors since 2004. Mr. Orfao co-founded General Catalyst Partners, one of our stockholders, in 2000 and currently is a Managing Director. Prior to joining General Catalyst, Mr. Orfao was the President, Chief Executive Officer and director of Allaire Corporation from 1997 to 2000. Currently, Mr. Orfao serves on the boards of Tudou Holdings Ltd., an internet video destination site in China, as well as numerous privately-held companies. Mr. Orfao holds a B.A. in Business and Accounting from Norwich University. Mr. Orfao was selected to serve as a director on our board of directors due to his experience providing guidance and counsel to a wide variety of Internet and technology companies, and his service on the boards of directors of a range of public and private companies.

Composition of our Board of Directors

Our board of directors currently consists of seven members, all of whom were elected pursuant to the board composition provisions of our voting agreement, which is described under “Certain Relationships and Related Party Transactions—Voting Agreement” in this prospectus. These board composition provisions will terminate immediately prior to the closing of this offering. Upon the termination of these provisions, there will be no further contractual obligations regarding the election of our directors. Our nominating and corporate governance committee and board of directors may therefore consider a broad range of factors relating to the qualifications and background of nominees, which may include diversity and is not limited to race, gender or national origin. We have no formal policy regarding board diversity. Our nominating and corporate governance committee’s and board of directors’ goal in selecting board members is to identify people who will further the interests of our stockholders through his or her established record of professional accomplishment, the ability to contribute positively to the collaborative culture among board members, and professional and personal experiences and expertise relevant to our growth strategy.

Director Independence. Our board of directors has determined that all members of the board of directors, except Messrs. Allaire and Mendels, are independent, as determined in accordance with the rules of the NASDAQ Stock Market and the SEC. Upon the closing of this offering, we expect that the composition and functioning of our board of directors and each of our committees will comply with all applicable requirements of the NASDAQ Stock Market, the Sarbanes-Oxley Act of 2002 and the rules and regulations of the SEC. There are no family relationships among any of our directors or executive officers.

Staggered Board. Immediately after the closing of this offering, our board of directors will be divided into three staggered classes of directors of the same or nearly the same number and each director will be assigned to one of the three classes. At each annual meeting of the stockholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring. The terms of the directors will expire upon the election and qualification of successor directors at the annual meeting of stockholders to be held during the years 2013 for Class I directors, 2014 for Class II directors and 2015 for Class III directors.

- Our Class I directors will be Deborah Besemer, Scott Kurnit and David Orfao;
- Our Class II directors will be James Breyer and David Mendels; and
- Our Class III directors will be Jeremy Allaire and Elizabeth Nelson.

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

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

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and governance committee, each of which operates pursuant to a separate charter adopted by our board of directors. We believe that the composition and functioning of all of our committees will comply with all applicable requirements of the Sarbanes-Oxley Act of 2002, the NASDAQ Stock Market and SEC rules and regulations. Each committee has the composition and responsibilities described below.

Audit Committee. Mses. Besemer and Nelson, and Mr. Orfao, currently serve on the audit committee, which is chaired by Ms. Nelson. Our board of directors has determined that each of Mses. Besemer and Nelson is “independent” for audit committee purposes as that term is defined under Rule 10A-3 of the Securities Exchange Act of 1934, as amended, and the applicable NASDAQ Stock Market rules, and before the expiration of the phase-in period applicable to initial public offerings under the applicable NASDAQ Stock Market rules, all members of our audit committee will be “independent” for audit committee purposes. Each member of the audit committee will meet the requirements for financial literacy under the applicable rules and regulations of the SEC and NASDAQ Stock Market. Our board of directors has designated Ms. Nelson as an “audit committee financial expert,” as defined under the applicable rules of the SEC. The audit committee’s responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- approving auditing and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing the internal audit plan with the independent registered public accounting firm and members of management responsible for preparing our financial statements;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as our critical accounting policies and practices;
- reviewing the adequacy of our internal control over financial reporting;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;
- recommending, based upon the audit committee’s review and discussions with management and the independent registered public accounting firm, whether our audited financial statements shall be included in our Annual Report on Form 10-K;

- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;
- preparing the audit committee report required by SEC rules to be included in our annual proxy statement;
- reviewing all related party transactions for potential conflicts of interest and approving all such transactions; and
- reviewing quarterly earnings releases and scripts.

Compensation Committee. Ms. Besemer and Messrs. Kumit and Orfao currently serve on the compensation committee, which is chaired by Ms. Besemer. Our board of directors has determined that each member of the compensation committee is "independent" as that term is defined in the applicable SEC and NASDAQ Stock Market rules. The compensation committee's responsibilities include:

- annually reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer;
- evaluating the performance of our Chief Executive Officer in light of such corporate goals and objectives and determining the compensation of our Chief Executive Officer;
- reviewing and approving the compensation of our other executive officers;
- reviewing and establishing our overall management compensation philosophy and policy;
- overseeing and administering our compensation and similar plans;
- reviewing and approving our policies and procedures for the grant of equity-based awards;
- reviewing and making recommendations to the board of directors with respect to director compensation;
- reviewing and discussing with management the compensation discussion and analysis to be included in our annual proxy statement or Annual Report on Form 10-K; and
- reviewing and discussing with the board of directors corporate succession plans for our Chief Executive Officer and other key officers.

Nominating and Corporate Governance Committee. Mses. Besemer and Nelson, and Mr. Breyer currently serve on the nominating and corporate governance committee, which is chaired by Mr. Breyer. Our board of directors has determined that each member of the nominating and corporate governance committee is "independent" as that term is defined in the applicable SEC and NASDAQ Stock Market rules. The nominating and corporate governance committee's responsibilities include:

- developing and recommending to the board of directors criteria for board and committee membership;
- establishing procedures for identifying and evaluating board of director candidates, including nominees recommended by stockholders;
- identifying individuals qualified to become members of the board of directors;
- recommending to the board of directors the persons to be nominated for election as directors and for election to each of the board's committees;
- developing and recommending to the board of directors a set of corporate governance guidelines; and
- overseeing the evaluation of the board of directors and management.

Our board of directors may from time to time establish other committees.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal 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. In March 2010, certain of our investors purchased shares of our preferred stock, including entities affiliated with Mr. Orfao, which purchased 894,034 of these shares. We have described the amounts of these sales and purchases in more detail under the section captioned "Certain Relationships and Related Party Transactions—Series D Financing". Additionally, in March 2010 and November 2010, certain of our investors purchased shares of our common stock, including entities affiliated with Mr. Orfao, which purchased 330,033 of these shares, from our employees, including shares held by Jeremy Allaire, our Chief Executive Officer. We have described the amounts of these sales and purchases in more detail under the section captioned "Certain Relationships and Related Party Transactions—Sales of Securities by Employees," although we were not a participant in these transactions, except for the limited actions described thereunder.

Corporate Governance

We have adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. Upon the closing of this offering, our code of business conduct and ethics will be available on our website. We intend to disclose any amendments to the code, or any waivers of its requirements, on our website.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This section explains how our executive compensation programs are designed and operate with respect to our named executive officers listed in the Summary Compensation Table below. Our named executive officers in 2011 were Jeremy Allaire, Chairman and Chief Executive Officer; David Mendels, President and Chief Operating Officer; Christopher Menard, Chief Financial Officer; Andrew Feinberg, Chief Legal Officer; and Edward Godin, Chief People Officer.

Executive Summary

Our compensation strategy is designed to attract and retain high-caliber executive officers and employees, and communicate and align employee contributions with our objectives and stockholder interests. We intend to provide a competitive total compensation package and will share our success with our named executive officers, as well as our other employees, when our objectives are met.

Compensation for our named executive officers consists of the elements identified in the following table.

Compensation Element	Objective
Base salary	To attract and retain employees and to recognize ongoing performance of job responsibilities.
Annual performance-based cash compensation	To re-emphasize corporate objectives and provide additional reward opportunities for our named executive officers (and employees generally) when key business objectives are met.
Long-term equity incentive compensation	To reward increases in stockholder value and to emphasize and reinforce our focus on team success.
Severance and change in control benefits	To provide income protection in the event of involuntary loss of employment and to focus named executive officers on stockholder interests when considering strategic alternatives.
Retirement savings (401(k)) plan	To provide retirement savings in a tax-efficient manner.
Health and welfare benefits	To provide a basic level of protection from health, dental, life and disability risks.

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

Determining Executive Compensation

Historically, Mr. Allaire, our Chairman and Chief Executive Officer, has reviewed the performance of each named executive officer other than himself, and based on this review and the factors described below, made the final determination with regard to the total compensation package for our named executive officers other than himself. Any adjustments to named executive officers' compensation levels were based primarily on the experience of the members of our board of directors in our industry and their review of private company compensation surveys, the individual's performance and internal pay equity considerations. Prior to this offering, we had not formally benchmarked compensation (either on an aggregate or element-by-element basis) to specific levels relative to peer companies or external market compensation data.

In connection with this offering, our board of directors engaged Pearl Meyer & Partners, LLC, or Pearl Meyer, a compensation consultant, to help evaluate the total compensation packages for our named executive officers. As part of this engagement, Pearl Meyer analyzed compensation data relating to the following 18 publicly-traded U.S.-based software companies:

Autobytel	Envestnet	MediaMind
BroadSoft	Innodata Isogen	Motricity
Convio	Keynote Systems	Responsys
Cornerstone OnDemand	Local.com	SPS Commerce
EasyLink Services International	LogMeIn	Support.com
Ellie Mae	LoopNet	TechTarget

Certain of these companies were determined to be appropriate peer companies based on the size of their businesses. Certain of these companies were selected for executive compensation analysis purposes because they had recently completed initial public offerings. These companies are also representative of the types of companies with which we compete for executive talent. We may replace some or all of these companies with others from time to time as changes in market positions and company size, including our own, may suggest more representative peer group companies.

Mr. Allaire made recommendations to the board of directors for new compensation packages for our named executive officers in August 2011, and the board of directors made the final determination with regard to the new compensation packages for these named executive officers. Our board of directors based its decision on Pearl Meyer's review of compensation practices at the companies listed above and the experience of the members of our board of directors within our industry. We entered into new employment agreements with each of our named executive officers which include the terms of their new compensation packages, as described in more detail below under "—Elements of Compensation," and "—Employment Agreements; Potential Payments upon Termination or Change in Control".

Following consummation of this offering, we anticipate that Mr. Allaire will review the performance of each named executive officer other than himself, and based on this review and the factors described above, will make recommendations to the compensation committee with respect to each named executive officer's total compensation package. We expect the compensation committee to then make the final determination with regard to the total compensation package for our named executive officers, including Mr. Allaire.

Elements of Compensation

Base Salaries

Historically, base salaries for our named executive officers were established initially through arm's-length negotiations at the time the individual was hired, taking into account private company compensation surveys and internal pay equity considerations, as well as the individual's qualifications and experience. Base salaries of our named executive officers were reviewed by our Chief Executive Officer, Mr. Allaire, and our Chief People Officer, Mr. Godin, and approved annually by our board of directors during the first quarter of each year. Adjustments to base salaries were based on an individual's performance, as well as private company compensation surveys and internal pay equity considerations. In making decisions regarding salary adjustments, we also draw upon the experience that members of our board of directors have within our industry. We do not assign a specific weight to any single factor in making decisions regarding base salary adjustments.

For 2011, our board of directors sought to set base salaries for our named executive officers at levels that are generally at or near the median levels of our peer group. In 2011, the board of directors approved base salary increases for each of our named executive officers to make their salaries more competitive with those of similarly situated executives in our peer group. These increases were also based on the individual's overall performance and the growth of our company. The compensation committee determined that Mr. Allaire's base salary for 2010 was significantly further below the median level of the peer group than the base salaries for our other named executive officers and, therefore, the board of directors increased Mr. Allaire's base salary in 2011 by a greater amount.

The following table sets forth the base salary for our named executive officers for fiscal 2010 and 2011:

Named Executive Officer	2010 Base Salary	2011 Base Salary	% Change
Jeremy Allaire	$225,000	$300,000	33%
David Mendels	$225,000	$250,000	11%
Christopher Menard	$230,000	$240,000	4%
Andrew Feinberg	$200,000	$225,000	13%
Edward Godin	$200,000	$215,000	8%

The board of directors has not yet determined whether to change the base salaries for our named executive officers for fiscal 2012.

Annual Performance-Based Cash Compensation

The named executive officers, as well as other executives and employees, participate in our annual Performance Incentive Program, which provides an opportunity to earn a cash bonus upon achievement of performance objectives approved by our board of directors. In addition, Mr. Feinberg, as well as certain other executives and employees, participates in our Sales Incentive Program, which provides an opportunity to earn a cash bonus upon achievement of sales objectives approved by management. These programs were established to further align individual goals with corporate and department goals and to increase focus on executing key business deliverables.

Target Bonuses. As with base salaries, historically, the target annual incentive compensation opportunities for our named executive officers were established initially through arm's-length negotiations at the time the individual was hired, taking into account private company compensation surveys and internal pay equity considerations, as well as the individual's qualifications and experience. Adjustments to annual incentive compensation targets were based on an individual's performance, as well as private company compensation surveys and internal pay equity considerations. Along with base salaries, annual incentive compensation targets are reviewed and approved annually by the board of directors. In making decisions regarding adjustments to annual incentive compensation targets, we also draw upon the experience that members of our board of directors have within our industry. We do not assign a specific weight to any single factor in making decisions regarding adjustments to annual incentive compensation targets.

For 2011, our board of directors sought to set annual incentive compensation targets for our named executive officers at levels that are generally at or near the median levels of our peer group. In 2011, the board of directors approved annual incentive compensation target increases for each of our named executive officers to make their cash incentive compensation more competitive with those of similarly situated executives in our peer group. These increases were also based on the individual's overall performance and the growth of our company. The compensation committee determined that Messrs. Allaire's, Feinberg's and Godin's annual incentive targets for 2010 were significantly further below the median level of the peer group than the targets for our other named executive officers and, therefore, the board of directors increased Messrs. Allaire's, Feinberg's and Godin's annual incentive compensation targets in 2011 by a greater amount.

The following table sets forth the annual incentive compensation targets for our named executive officers under our Performance Incentive Program for fiscal 2010 and 2011:

Named Executive Officer	2010 Target Bonus	2011 Target Bonus	% Change
Jeremy Allaire	$75,000	$135,000	80%
David Mendels	$75,000	$ 87,500	17%
Christopher Menard	$75,000	$ 84,000	12%
Andrew Feinberg	$50,000	$ 78,750	58%
Edward Godin	$50,000	$ 75,250	51%

The board of directors has not yet determined whether to change the annual incentive compensation targets for our named executive officers under our Performance Incentive Program for fiscal 2012.

The following table sets forth the annual incentive compensation target for Mr. Feinberg under the Sales Incentive Program for fiscal 2010 and 2011:

Named Executive Officer	2010 Target Bonus	2011 Target Bonus	% Change
Andrew Feinberg	$55,000	$55,000	—

The board of directors has not yet determined whether to change the annual incentive compensation target for Mr. Feinberg under the Sales Incentive Program for fiscal 2012.

Bonus Determinations—Performance Incentive Program. Under the Performance Incentive Program, each year (generally during the first quarter) the board of directors establishes company-wide financial performance objectives, which serve as the basis for determining the eligibility for and amount of bonuses to be paid under the program. For 2011, the board of directors used our revenue and non-GAAP operating loss (excluding bonus expense) for the performance objectives. We define non-GAAP operating loss (excluding bonus expense) as our loss from operations, calculated in accordance with GAAP, excluding our stock-based compensation expense. The board of directors determines the goals for each of these objectives in consultation with management and taking into account our performance for the immediately preceding year. The board of directors establishes goals it believes are necessary to provide a competitive overall compensation package in light of each named executive officer's base salary and to motivate our executives to achieve an aggressive level of growth. Our 2011 revenue goal was $55.6 million, compared with $63.6 million in actual revenue for the fiscal year ended December 31, 2011. Our 2011 non-GAAP operating loss (excluding bonus expense) goal was $(12.1) million, compared with $(8.9) million in actual non-GAAP operating loss (excluding bonus expense) for the fiscal year ended December 31, 2011.

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

After the end of each year, the board of directors reviews our actual achievement against the performance objectives and determines the amount of bonuses to be paid under the program as a whole. We must achieve at least 80% of the goal for each objective for bonuses to be paid under the program. Performance at the 80% level with respect to each objective would result in bonus payouts to the named executive officers at 50% of the named executive officers' individual target bonus opportunity. Each incremental 1% of achievement from 80% to 100% of the goal for each objective increases the bonus payouts by 2.5%, such that performance at the 90% level with respect to each objective would result in bonus payouts at 75% of the individual target bonus opportunity and performance at the 100% level with respect to each objective would result in bonus payouts at 100% of the individual target bonus opportunity.

For the full year in 2011, we achieved 114% of the goal for revenue and 126% of the goal for non-GAAP operating loss (excluding bonus expense). As such, and given the individual contributions of each of our named executive officers, the board of directors awarded the named executive officers 100% of their respective full-year target bonuses.

In addition to the individual target bonuses available to our named executive officers, 10% of any amount by which we overachieve above 100% of our annual target for non-GAAP operating loss (excluding bonus expense) is available as a supplemental bonus pool to be shared by all eligible employees. An individual's share of such supplemental bonus pool is based on the ratio of such individual's target bonus to the aggregate amount of all target bonuses for eligible individuals.

As such, the named executive officers' will receive the following amounts as supplemental bonuses for 2011: \$22,894 for Mr. Allaire, \$14,839 for Mr. Mendels, \$14,245 for Mr. Menard, \$13,355 for Mr. Feinberg and \$12,761 for Mr. Godin.

Bonus Determinations—Sales Incentive Program. Under the Sales Incentive Program for 2011, each quarter management established sales objectives for individuals, by region, which served as the basis for determining the amount of bonuses to be paid to the individual under the program. The sales objectives took into account our performance for the immediately preceding quarter and the corresponding quarter for the immediately preceding year. The sales objectives for 2011 each represented a significant increase over our actual performance in 2010. After the end of each quarter, management reviewed an individual's performance with respect to their individual sales objectives and determined the amount of the bonus to be paid under the program to the individual.

For 2011, the quarterly sales performance bonuses for Mr. Feinberg were based predominantly on new customer bookings and sales to existing customers. The execution of multi-year customer contracts and professional services bookings were the remaining factors in the determination of his sales performance bonuses. For 2011, Mr. Feinberg's territory in which such objectives were measured was comprised of Japan and the Asia Pacific region. Mr. Feinberg's annual incentive compensation target of \$55,000 in 2011 consisted of quarterly targets of \$13,750. In 2011, Mr. Feinberg earned \$16,760 of incentive compensation for the first quarter, \$20,423 for the second quarter, \$13,282 for the third quarter and \$12,745 for the fourth quarter, resulting in annual incentive compensation of \$63,210. New customer bookings translate into incentive compensation by comparing the quarterly bookings goal set by management for the region against the dollar amount in bookings actually achieved. Sales to existing customers translate into incentive compensation by comparing the percentage goal for monthly recurring revenue set by management for the region against the percentage actually achieved. Such resulting percentages are then multiplied by the quarterly sales performance bonus target to determine the amount of bonus earned in such quarter. Certain factors may decrease the amount of bonus earned, such as non-standard contract terms, and certain other factors may increase the amount of bonus earned, such as large single bookings of over \$1 million.

Mr. Feinberg's new customer bookings goal increased each quarter of 2011; however, since the bookings growth metric is highly sensitive data, we do not disclose the specific performance goal for this metric because we believe that such disclosure would result in serious competitive harm. We set the goals for bookings at a high level because we are a growth-oriented company and rely on bookings to help drive our growth. Additionally, the value associated with customers at the time of booking is an estimate of the revenue we expect to receive from new customers which, in turn, is based on an estimate of what the customer's total collections will be using our services. Since the number is an estimate based on an estimate, it is inherently volatile and cannot be used to predict actual revenue.

Please refer to the "Summary Compensation Table" for the actual amounts paid to each of our named executive officers pursuant to our annual Performance Incentive Program and Sales Incentive Program for 2011.

Long-Term Equity Incentive Compensation

Our named executive officers are eligible to receive long-term equity-based incentive awards, which are intended to align the interests of our named executive officers with the interests of our stockholders and to emphasize and reinforce our focus on team success. Historically, our long-term equity-based incentive compensation awards have been made in the form of stock options and restricted stock subject to vesting based on continued employment. We believe that stock options and restricted stock are effective tools for meeting our compensation goal of increasing long-term stockholder value by tying the value of the stock options and restricted stock to our future performance. Because employees are able to profit from stock options and restricted stock only if our stock price increases relative to the stock option's exercise price or restricted stock's purchase price, we believe stock options and restricted stock provide meaningful incentives to employees to achieve increases in the value of our stock over time.

All stock option and restricted stock awards are approved by the board of directors. In determining the size of a stock option grant or restricted stock award, the board of directors takes into account individual performance (generally consisting of financial performance for the year as well as a subjective, qualitative review of each named executive officer's contribution to the success of the business), internal pay equity considerations and the value of existing long-term incentive awards. Each named executive officer received an initial grant of stock options and/or restricted stock in connection with the commencement of his or her employment. Our named executive officers and other employees are also eligible to receive additional grants or awards from time to time. We do not have a set program for the award of these additional grants or awards, and our board of directors retains discretion to make stock option or restricted stock awards to employees at any time.

Stock option and restricted stock awards to our named executive officers typically vest over four years, with 25% vesting on the first anniversary of the vesting start date, which is a date fixed by our board of directors when making equity awards, and the remainder vesting in 36 equal monthly installments thereafter. We believe this vesting schedule encourages long-term employment with our company, while allowing our executives to realize compensation in line with the value they have created for our stockholders.

In March 2011, Mr. Menard was granted an option to purchase 218,617 shares at an exercise price equal to the then-current fair market value of $8.19 per share. This award was granted in connection with his appointment as our Chief Financial Officer and was the result of a negotiation between Mr. Menard, our Chief Executive Officer and our board of directors. In May 2011, Mr. Feinberg was granted two options to purchase 38,461 shares, each at an exercise price equal to the then-current fair market value of $8.19 per share. One award was granted in recognition of Mr. Feinberg's service to our company and the second award was granted in connection with his promotion to our Chief Legal Officer. In May 2011, Mr. Godin was granted two options to purchase 38,461 shares, each at an exercise price equal to the then-current fair market value of $8.19 per share. One award was granted in recognition of Mr. Godin's service to our company and the second award was granted in connection with his promotion to our Chief People Officer. The options granted to Messrs. Menard, Feinberg and Godin in 2011 each vest over four years, with 25% vesting on the first anniversary of the vesting start date, which is a date fixed by our board of directors when making equity awards, and the remainder vesting in 36 equal installments thereafter.

In March 2011, Mr. Mendels was granted an option to purchase 35,000 shares at an exercise price equal to the then-current fair market value of $8.19 per share, to vest in full if our company met the financial objectives set forth in our operating plan for 2011. In February 2012, our board of directors determined these objectives were met, and therefore the option has vested in full.

Severance and Change in Control Benefits

Pursuant to employment agreements entered into with each of our named executive officers in August 2011, upon a change in control of our company, each executive's then-outstanding stock options and restricted stock awards will fully vest.

If an executive's employment is terminated by us without cause or if the executive resigns for good reason prior to a change in control of the company, the executive is eligible for severance benefits in 12 equal monthly installments consisting of an amount equal to the sum of one times the executive's base salary and one times the executive's target bonus, plus an amount equal to 12 months of COBRA coverage. In such case, the vesting of each executive's then-outstanding stock options and restricted stock awards shall also accelerate by 25%. The severance benefits described in this paragraph are contingent upon the executive agreeing to a general release of claims in favor of us following termination of employment.

If an executive's employment is terminated by us without cause or if the executive resigns for good reason following a change in control of our company, the executive is eligible for severance benefits in a lump sum consisting of an amount equal to the sum of one times the executive's base salary and one times the executive's target bonus, plus an amount equal to 12 months of COBRA coverage. If such termination occurs more than 12 months after a change in control of our company, such severance benefits will be provided in 12 equal monthly installments. The severance benefits described in this paragraph are contingent upon the executive agreeing to a general release of claims in favor of us following termination of employment.

The employment agreements entered into with each of our named executive officers in August 2011, as described above, contain a different set of provisions regarding severance and change in control benefits than were applicable prior to our initial public offering; however, those provisions will no longer be operative after this offering.

We provide these benefits to promote retention and ease the consequences to the executive of an unexpected termination of employment. These arrangements are also intended to preserve morale and productivity in the face of the potentially disruptive impact of a change in control. These benefits also allow our named executive officers to focus on the value of strategic alternatives to stockholders without concern for the impact on their own continued employment, as each of their offices is at heightened risk of turnover in the event of a change in control.

Please refer to the discussion below under "—Employment Agreements; Potential Payments upon Termination or Change in Control" for a more detailed discussion of our severance and change in control benefits.

Employee Benefits

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

Other Compensation Practices and Policies

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

Stock Ownership Guidelines. There are currently no equity ownership requirements or guidelines that any of our named executive officers or other employees must meet or maintain.

Policy Regarding the Timing of Equity Awards. As a privately owned company, there has been no market for our common stock. Accordingly, in 2011, we had no program, plan or practice pertaining to the timing of stock option or restricted stock awards to executive officers coinciding with the release of material non-public information. We do not, as of yet, have any plans to implement such a program, plan or practice after becoming a public company.

Tax Deductibility. Our board of directors has considered the potential future effects of Section 162(m) of the Internal Revenue Code, or the Code, on the compensation paid to our named executive officers. Section 162(m) places a limit of $1 million on the amount of compensation that a publicly-held corporation may deduct in any one year with respect to its chief executive officer and each of the next three most highly compensated executive officers (other than its chief financial officer). In general, certain performance-based compensation approved by stockholders is not subject to this deduction limit. As we are not currently publicly-traded, our board of directors has not previously taken the deductibility limit imposed by Section 162(m) into consideration in making compensation decisions. We expect that following this offering, the compensation committee of our board of directors will adopt a policy that, where reasonably practicable, we will seek to qualify the variable compensation paid to our named executive officers for an exemption from the deductibility limitations of Section 162(m). However, we may authorize compensation payments that do not comply with the exemptions in Section 162(m) when we believe that such payments are appropriate to attract and retain executive talent.

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

Compensation Risk Assessment

When determining our compensation policies and practices, our board of directors considers various matters relevant to the development of a reasonable and prudent compensation program, including whether the policies and practices are reasonably likely to have a material adverse effect on our company. We believe that the mix and design of our executive compensation plans and policies do not encourage management to assume excessive risks and are not reasonably likely to have a material adverse effect on our company for the following reasons: we offer an appropriate balance of short and long-term incentives and fixed and variable amounts; our variable compensation is based on a balanced mix of criteria; and our board of directors and compensation committee have the authority to adjust variable compensation as appropriate.

Tabular Disclosure Regarding Executive Compensation

The following tables provide information regarding the compensation awarded to or earned during our fiscal years ended December 31, 2010 and 2011 by our chief executive officer, chief financial officer and the three other most highly compensated executive officers (collectively referred to herein as the named executive officers).

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Jeremy Allaire	2011	256,250(2)	157,894	—	—	—	—	414,144
Chairman and Chief Executive Officer	2010	225,000	50,250	—	—	—	142,776(3)	418,026
David Mendels	2011	235,417(2)	102,339	—	152,683	—	—	490,439
President and Chief Operating Officer	2010	225,000	50,250	1,186,574	2,896,614	—	—	4,358,438
Christopher Menard	2011	234,167(2)	98,245	—	1,012,841	—	—	1,345,253
Chief Financial Officer	2010	53,224(4)	25,000(5)	—	—	—	—	78,224
Andrew Feinberg	2011	210,417(2)	92,105	—	496,140	63,210(6)	—	861,872
Chief Legal Officer	2010	200,000	33,500	—	—	52,378(6)	—	285,878
Edward Godin	2011	206,250(2)	88,011	—	496,140	—	—	790,401
Chief People Officer	2010	196,250(7)	33,500	—	—	—	—	229,750

(1) The valuation of stock and option awards is based on the grant date fair value computed in accordance with FASB ASC Topic 718. The assumptions used to calculate the value of stock and option awards are set forth in the section entitled "Summary of Significant Accounting Policies" under Note 2 to our consolidated financial statements for the year ended December 31, 2010 included elsewhere in this prospectus.

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(2) Each of the salaries for 2011 reflect the base salary increases received by each of our named executive officers in August 2011, as described in "—Base Salaries" above.
(3) This amount consists of the proceeds received by Mr. Allaire from a private sale of shares of our common stock that exceeded the estimated fair value of the common stock at the time of the transaction. For more information, see "Certain Relationships and Related Party Transactions."
(4) Mr. Menard joined us as our Chief Financial Officer in October 2010 and received a prorated base salary based on an annual base salary of $230,000.
(5) Mr. Menard received a signing bonus of $25,000 in connection with his commencement of employment with us.
(6) Cash bonus was paid pursuant to our Sales Incentive Program, as described in "—Annual Performance-Based Cash Compensation" above. For more information, see "Grants of Plan-Based Awards—2011" below.
(7) Mr. Godin's base salary was increased from $190,000 to $200,000 in May 2010.

Grants of Plan-Based Awards—2011

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All other Stock Awards: Number of Shares of Stock or units (#)	All other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards[1]
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Jeremy Allaire	—	—	—	—	—	—	—	—	—	—	—
David Mendels	3/8/2011	—	—	—	—	35,000	—	—	—	8.19	152,683
Christopher Menard	3/8/2011	—	—	—	—	—	—	—	218,617	8.19	1,012,841
Andrew Feinberg	—	—	55,000[2]	—	—	—	—	—	—	—	—
	5/12/11	—	—	—	—	—	—	—	38,461	8.19	248,070
	5/12/11	—	—	—	—	—	—	—	38,461	8.19	248,070
Edward Godin	5/12/11	—	—	—	—	—	—	—	38,461	8.19	248,070
	5/12/11	—	—	—	—	—	—	—	38,461	8.19	248,070

(1) The valuation of stock and option awards is based on the grant date fair value computed in accordance with FASB ASC Topic 718. The assumptions used to calculate the value of stock and option awards are set forth in the section entitled "Summary of Significant Accounting Policies" under Note 2 to our consolidated financial statements for the year ended December 31, 2010 included elsewhere in this prospectus.
(2) Amount represents the potential performance-based incentive cash payment Mr. Feinberg could earn pursuant to the Sales Incentive Program for 2011, as described in "—Annual Performance-Based Cash Compensation" above. The actual amounts earned for 2011 are set forth in the "Non-Equity Incentive Plan Compensation" column in the Summary Compensation Table above.

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Outstanding Equity Awards at Fiscal Year-End 2011

	Option Awards(1)						Stock Awards	
Name	Vesting Start Date(2)	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Jeremy Allaire	8/24/2008	349,622	69,930	—	0.96	4/15/2018	—	—
David Mendels	10/23/2008	73,343(3)	—	—	1.25	2/12/2019	—	—
	10/1/2009	7,211(4)	—	—	1.72	12/15/2019	—	—
	1/1/2010	185,597	126,988(5)	—	1.72	1/26/2020	—	—
	1/1/2010	—	—	—	—	—	63,494(6)	698,434(7)
	—	—	—	35,000(8)	8.19	3/8/2021	—	—
Christopher Menard	10/4/2010	63,763	154,854	—	8.19	3/8/2021	—	—
Andrew Feinberg	9/15/2007	38,461	—	—	0.81	11/12/2017	—	—
	7/31/2008	82,129	14,024	—	0.96	7/31/2018	—	—
	4/1/2011	—	38,461	—	8.19	5/12/2021	—	—
	5/12/2011	—	38,461	—	8.19	5/12/2021	—	—
Edward Godin	5/14/2007	96,153	—	—	0.81	11/12/2017	—	—
	7/31/2008	24,639	4,207	—	0.96	7/31/2018	—	—
	5/8/2009	24,839	13,622	—	1.25	5/8/2019	—	—
	4/1/2011	—	38,460	—	8.19	5/12/2021	—	—
	5/12/2011	—	38,460	—	8.19	5/12/2021	—	—

(1) Unless otherwise indicated, these stock options were granted on the date ten years prior to the expiration date and vest over four years, with 25% vesting on the first anniversary of the vesting start date and the remainder vesting in 36 equal monthly installments thereafter.
(2) The vesting start date is a date fixed by our board of directors when making equity awards.
(3) This stock option is fully vested.
(4) This stock option is fully vested.
(5) This stock option vests over three years, with 25% vesting on the first anniversary of the vesting start date and the remainder vesting in 24 equal monthly installments thereafter.
(6) This restricted stock award was made on January 26, 2010 and vests over three years, with 25% vesting on the first anniversary of the vesting start date and the remainder vesting in 24 equal monthly installments thereafter.
(7) Represents the fair market value of Mr. Mendels' 63,494 unvested shares as of December 31, 2011. The fair market value assumes an initial public offering price of $11.00 per share, which is the mid-point of the estimated price range set forth on the cover of this prospectus.
(8) As of December 31, 2011 this award was unvested; however, in February 2012 our board of directors determined that the vesting conditions of this award had been met and that this award was fully vested.

Option Exercises and Stock Vested Table—2011

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Jeremy Allaire	—	—	—	—
David Mendels	—	—	92,798	1,020,778(1)
Christopher Menard	—	—	—	—
Andrew Feinberg	—	—	—	—
Edward Godin	—	—	—	—

(1) There was no public market for our common stock on any of the applicable vesting dates. Accordingly, the value realized on vesting assumes an initial public offering price of $11.00 per share, which is the mid-point of the estimated price range set forth on the cover of this prospectus.

Pension Benefits

We do not offer any defined benefit pension plans.

Nonqualified Deferred Compensation

We do not offer any nonqualified deferred compensation plans.

Director Compensation

We reimburse each member of our board of directors who is not an employee for reasonable travel and other expenses in connection with attending meetings of the board of directors or committees thereof. In addition, as part of our efforts to attract and retain highly qualified individuals to our board of directors, we grant equity awards to our non-employee directors, who are not affiliated with 5% or greater stockholders, upon their election to our board of directors. We did not make any equity award grants to our directors during our fiscal year ended December 31, 2011. In June 2011 we amended previous stock option awards granted to Ms. Besemer and Ms. Nelson to provide for acceleration of vesting upon a change of control that comports with other grants to our directors. As of January 1, 2012, Ms. Bessemer owned options to purchase an aggregate of 87,766 shares of our common stock, Ms. Nelson owned options to purchase an aggregate of 82,923 shares of our common stock and Mr. Kurnit owned an aggregate of 210,007 shares of our restricted common stock. Mr. Breyer and Mr. Orfao did not own any stock options or shares of restricted stock as of January 1, 2012.

We have adopted a new non-employee director compensation policy that will be effective upon the effectiveness of the registration statement of which this prospectus is a part. Pursuant to this policy, upon election to our board, each of our non-employee directors, other than any such directors then designated as representatives of General Catalyst Partners or Accel Partners and their respective affiliates, will be granted an option to purchase 0.060% of our then outstanding common stock on a fully-diluted basis (equal to approximately 18,348 shares based upon our fully-diluted shares outstanding upon completion of this offering, assuming the issuance and sale of 5,000,000 shares of common stock in this offering), subject to quarterly vesting over a three-year period from the vesting start date. In addition, each of these directors who has served as a director for at least six months prior to our annual stockholder meeting will be granted, annually, an option to purchase 0.030% of our then outstanding common stock on a fully-diluted basis (equal to approximately 9,174 shares based upon our fully-diluted shares outstanding upon completion of this offering, assuming the issuance and sale of 5,000,000 shares of common stock in this offering), subject to quarterly vesting over a three-year period from the vesting start date. The exercise price of the options will be greater than or equal to the fair market value of a share of our common stock at the time of grant. Each of these directors will also annually receive $25,000 for general availability and participation in meetings and conference calls of our board of directors. Additionally, the audit committee chairperson will annually receive $10,000, an audit committee member will annually receive $5,000, the compensation committee chairperson will annually receive $7,500, a compensation committee member will annually receive $3,500, the nominating and corporate governance committee chairperson will annually receive $5,000 and a nominating and corporate governance committee member will annually receive $2,000.

Employment Agreements; Potential Payments upon Termination or Change in Control

In August 2011, we entered into employment agreements with the individuals listed below.

Jeremy Allaire. Mr. Allaire's agreement provides for a base salary of $300,000 per year, and for his participation in our annual Performance Incentive Program at an annual target bonus of $135,000.

David Mendels. Mr. Mendels' agreement provides for a base salary of $250,000 per year, and for his participation in our annual Performance Incentive Program at an annual target bonus of $87,500.

Christopher Menard. Mr. Menard's agreement provides for a base salary of $240,000 per year, and for his participation in our annual Performance Incentive Program at an annual target bonus of $84,000.

Andrew Feinberg Mr. Feinberg's agreement provides for a base salary of $225,000 per year, for his participation in our annual Performance Incentive Program at an annual target bonus of $78,750 and for his participation in our Sales Incentive Program at an annual target bonus of $55,000.

Edward Godin. Mr. Godin's agreement provides for a base salary of $215,000 per year, and for his participation in our annual Performance Incentive Program at an annual target bonus of $75,250.

The information below describes certain compensation that would have become payable under existing plans and contractual arrangements assuming a termination of employment and/or change in control had occurred on December 31, 2011, based upon an estimated fair value of our common stock of $11.00, which is the mid-point of the estimated price range set forth on the cover page of this prospectus. There can be no assurance that an actual triggering event would produce the same or similar results as those estimated if such event occurs on any other date or at any other price, or if any other assumption used to estimate potential payments and benefits is not correct. Due to the number of factors that affect the nature and amount of any potential payments or benefits, any actual payments and benefits may be different.

The following table sets forth the estimated value of the potential payments to each of the named executive officers, assuming the executive's employment had terminated on December 31, 2011 and/or that a change in control had also occurred on that date. These figures are based on the option agreements, restricted stock agreements and employment agreements in effect on December 31, 2011.

Name	Benefit	Voluntary Resignation or Termination for Cause($)	Termination without Cause, or Resignation for Good Reason, prior to Change in Control($)	Termination without Cause, or Resignation for Good Reason, within 12 months after Change in Control($)
Jeremy Allaire	Severance(1)	—	435,000	435,000
	Option / Restricted Stock Acceleration(2)	—	175,488	701,953
	COBRA Premiums(3)	—	14,733	14,733
	Vacation Payout	—	—	—
	Total Value	—	625,221	1,151,686
David Mendels	Severance(1)	—	337,500	337,500
	Option / Restricted Stock Acceleration(2)	—	319,326	1,277,304
	COBRA Premiums(3)	—	—	—
	Vacation Payout	—	—	—
	Total Value	—	656,826	1,614,804
Christopher Menard				
	Severance(1)	—	324,000	324,000
	Option / Restricted Stock Acceleration(2)	—	108,785	435,140
	COBRA Premiums(3)	—	14,733	14,733
	Vacation Payout	—	—	—
	Total Value	—	447,518	773,873
Andrew Feinberg				
	Severance(1)	—	358,750	358,750
	Option / Restricted Stock Acceleration(2)	—	89,230	356,921
	COBRA Premiums(3)	—	14,733	14,733
	Vacation Payout	—	—	—
	Total Value	—	462,713	730,404
Edward Godin	Severance(1)	—	290,250	290,250
	Option / Restricted Stock Acceleration(2)	—	97,808	391,232
	COBRA Premiums(3)	—	7,263	7,263
	Vacation Payout	—	—	—
	Total Value	—	395,321	688,745

(1) Based on 2011 salaries and annual incentive compensation targets for our named executive officers under the Performance Incentive Program and Sales Incentive Program, as applicable.

(2) Accelerated vesting of stock options and restricted stock awards for the applicable named executive officers is based on the difference between (x) $11.00, the mid-point of the estimated price range set forth on the cover page of this prospectus, and (y) the per share exercise price or purchase price of the award.
(3) Estimated based on the cost for such coverage during 2011.

Definitions. For the purposes of the employment agreements, the following terms have the following definitions:

- "Cause" means (i) misconduct in connection with the performance of duties, including misappropriation of funds or property of our company, (ii) the commission of any felony or a misdemeanor involving moral turpitude, deceit, dishonesty or fraud, or any conduct that would reasonably be expected to result in injury or reputational harm to our company, (iii) continued non-performance of duties for more than 30 days following written notice, (iv) a breach of confidentiality or noncompetition obligations in favor of our company, (v) a violation of our written employment policies, or (vi) failure to cooperate with an internal or external investigation.
- "Good Reason" means (i) a material diminution in responsibilities, authority or duties, (ii) a material diminution in base salary, (iii) a material change in the principal geographic location at which the executive is required to provide services to our company, or (iv) a material breach of the employment agreement by our company.
- "Change of Control" means (i) the date any person becomes the beneficial owner of securities of our company representing 50% or more of the combined voting power of our then-outstanding securities having the right to vote in an election of our board of directors, (ii) the date a majority of the members of our board of directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the board before the date of the appointment or election, or (iii) the consummation of (a) any consolidation or merger of our company where our stockholders, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own shares representing more than 50% of the voting shares of the company issuing cash or securities in the consolidation or merger, or (b) any sale or other transfer of all or substantially all of our assets.

Stock Option and Other Compensation Plans

The two equity incentive plans described in this section are the 2004 Plan and the 2012 Plan. Prior to this offering, we granted awards to eligible participants under the 2004 Plan. Following the closing of this offering, we expect to grant awards to eligible participants under the 2012 Plan.

2004 Plan

Our 2004 Plan was adopted by our board of directors and approved by our stockholders in December 2004, and has most recently been amended in July 2011. We have reserved 7,397,843 shares of our common stock for issuance under our 2004 Plan. This number is subject to adjustment in the event of a stock split, stock dividend or other changes in our capitalization.

Our 2004 Plan is administered by our board of directors. Our board of directors has the authority to delegate full power and authority to one or more committees of the board, to select the individuals to whom awards will be granted, to make any combination of awards to participants, to accelerate the exercisability or vesting of any award, to provide substitute awards and to determine the specific terms and conditions of each award.

The 2004 Plan permits us to make grants of incentive stock options and non-qualified stock options and the direct award or sale of shares of restricted common stock to officers, employees, directors, advisors and consultants. We have also established a UK Sub-Plan of the 2004 Plan under which we are permitted to make grants of options to employees subject to tax in the United Kingdom.

Upon a sale event in which all awards are not assumed, substituted with awards issued by the successor entity, or substituted with cash consideration, the 2004 Plan and awards issued thereunder will be subject to accelerated vesting and, in the case of stock options, full exercisability, followed by the cancellation of such awards.

All stock option awards that are granted to employees are covered by a stock option agreement. Generally, under the stock option agreements, the shares subject to such stock options vest over four years, with 25% vesting on the first anniversary of the vesting start date, which is a date fixed by our board of directors when granting options, and the remainder vesting in 36 equal monthly installments thereafter. Our board of directors may accelerate the vesting schedule in its discretion, and some employees are entitled to acceleration upon a change of control.

Our board of directors has determined not to grant any further awards under the 2004 Plan after the completion of the offering.

2012 Plan

In 2012, our board of directors adopted our 2012 Plan, which was subsequently approved by our stockholders. The 2012 Plan will replace the 2004 Plan. Our 2012 Plan provides flexibility to our compensation committee to use various equity-based incentive awards as compensation tools to motivate our workforce.

We have initially reserved 1,824,703 shares of our common stock for the issuance of awards under the 2012 Plan, which is comprised of (i) the 124,703 shares available for issuance under our 2004 Plan and (ii) 1,700,000 additional shares. The 2012 Plan provides that the number of shares reserved and available for issuance under the plan will automatically increase each January 1, beginning in 2013, by 4% 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 subject to an overall overhang limit of 30%. 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 2012 Plan will be authorized but unissued shares or shares that we reacquire. The shares of 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 any issuance of stock, expire or are otherwise terminated (other than by exercise) under the 2012 Plan are added back to the shares of common stock available for issuance under the 2012 Plan.

Stock options and stock appreciation rights with respect to no more than 500,000 shares of 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 2012 Plan is 500,000 shares of stock or $3,000,000 in the case of cash-based awards.

The 2012 Plan is 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 2012 Plan. Persons eligible to participate in the 2012 Plan will be those full or part-time officers, employees, non-employee directors and other key persons (including prospective employees but excluding consultants) as selected from time to time by our compensation committee in its discretion.

The 2012 Plan permits the granting of both options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and 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 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 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 common stock that are free from any restrictions under the 2012 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 which entitle the recipient to receive share 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 which entitle the recipient to receive credits for dividends that would be paid if the recipient had held a specified number of shares of common stock.

Our compensation committee may grant cash bonuses under the 2012 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 2012 Plan that are intended to qualify as "performance-based compensation" under Section 162(m) of the Code. Those awards would 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 would be used with respect to any such awards include: 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 a similar measure, sales or revenue, corporate 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, stockholder returns, return on sales, gross or net profit levels, productivity, expense, margins, leverage or credit ratings, operating efficiency, customer satisfaction, working capital, earnings (loss) per share of stock, production and sales volumes or market shares and number of customers, non-GAAP financial measures, the achievement of key business developments, marketing, research, product development, regulatory, public and government affairs milestones, acquisitions or divestitures, joint ventures and strategic alliances, 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 shares of common stock with respect to a stock-based award and with respect to a cash-based award.

The 2012 Plan provides that upon the effectiveness of a "sale event" as defined in the 2012 Plan, all awards will be assumed or continued by the successor entity. Alternatively, awards may be substituted with new awards of the successor entity, with appropriate adjustment to the number and kind of shares, as well as the exercise prices. In addition, in connection with a sale event, we may make or provide for a cash payment to participants holding 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 2012 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 2012 Plan require the approval of our stockholders.

No awards may be granted under the 2012 Plan after the date that is 10 years from the date of stockholder approval of the 2012 Plan. No awards under the 2012 Plan have been made prior to the date hereof.

Senior Executive Incentive Bonus Plan

In January 2012, our board of directors, upon the recommendation of our compensation committee, adopted our Senior Executive Incentive Bonus Plan, or Bonus Plan, which will govern the cash incentive bonuses for certain of our eligible executives including our named executive officers. The Bonus Plan provides for bonus payments based upon the attainment of performance targets established by the compensation committee and related to financial and operational metrics with respect to us or our subsidiaries, or the Performance Goals, which would include the achievement of specified financial or operational metrics or objectives. The Performance Goals from which the compensation committee may select include 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; margins; leverage or credit ratings; operating efficiency; customer satisfaction; working capital; earnings (loss) per share of our common stock; production and sales volumes or market shares and number of customers; any of which may be measured either in absolute terms or as compared to any incremental increase non-GAAP financial measures; or the achievement of key business development, marketing, research, product development, regulatory, public and government affairs milestones; acquisitions and/or divestitures, joint ventures and strategic alliances.

Each Performance Goal shall have a “target” (100 percent attainment of the Performance Goal) and may also have a “minimum” hurdle and/or a “maximum.” Any bonuses paid under the Bonus Plan will be based upon objectively determinable bonus formulas that tie such bonuses to one or more performance targets relating to the Performance Goals. The bonus formulas shall be adopted in each performance period by the compensation committee and communicated to each executive. No bonuses shall be paid under the Bonus Plan unless and until the compensation committee makes a determination with respect to the attainment of the performance objectives. Notwithstanding the foregoing, we may adjust or pay bonuses under the Bonus Plan based on achievement of individual performance goals or pay bonuses (including, without limitation, discretionary bonuses) to executives under the Bonus Plan based upon such other terms and conditions as the compensation committee may in its discretion determine.

Each Executive shall have a targeted bonus opportunity set for each performance period. The Performance Goals will be measured at the end of each performance period after our financial reports have been published or such other appropriate time as the compensation committee shall determine. If the Performance Goals 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 and us, an executive must be employed by us on the bonus payment date in order to be eligible to receive a bonus payment.

Limitation of Liability and Indemnification Arrangements

As permitted by the Delaware General Corporation Law, we intend to adopt provisions in our amended and restated certificate of incorporation and amended and restated bylaws, which will be effective upon the completion of this offering, that limit or eliminate the personal liability of our directors. Consequently, a director will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

- any breach of the director’s duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;

- any unlawful payments related to dividends or unlawful stock repurchases, redemptions or other distributions; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not alter director liability under the federal securities laws and do not affect the availability of equitable remedies such as an injunction or rescission.

In addition, our amended and restated bylaws, which will be effective upon the completion of this offering, provide that:

- we will indemnify our directors, officers and, at the discretion of our board of directors, certain employees to the fullest extent permitted by the Delaware General Corporation Law; and
- advance expenses, including attorneys' fees, to our directors and, at the discretion of our board of directors, to our officers and certain employees, in connection with legal proceedings, subject to limited exceptions.

We also intend to enter into indemnification agreements with each of our executive officers and directors. These agreements will provide that we will indemnify each of our directors to the fullest extent permitted by the Delaware General Corporation Law and advance expenses to each indemnitee in connection with any proceeding in which indemnification is available.

We also maintain management liability insurance to provide insurance coverage to our directors and officers for losses arising out of claims based on acts or omissions in their capacities as directors or officers, including liabilities under the Securities Act. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling the registrant 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.

These provisions may discourage stockholders from bringing a lawsuit against our directors in the future for any breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors, officers and certain employees pursuant to these indemnification provisions. We believe that these provisions, the indemnification agreements and the insurance are necessary to attract and retain talented and experienced directors and officers.

At present, there is no pending litigation or proceeding involving any of our directors, officers or employees in which indemnification will be required or permitted. We are not aware of any threatened litigation or proceeding that might result in a claim for such indemnification.

Rule 10b5-1 Sales Plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan and subject to the lock-up agreements described under "Underwriting", a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from them. The director or officer may amend or terminate the plan in some circumstances. Our directors and executive officers may also buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements, we describe below transactions during our last three fiscal years, to which we were a party or will be a party, in which:

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

Compensation arrangements for our directors and named executive officers are described elsewhere in this prospectus.

Series D Financing

The following table summarizes purchases of shares of our preferred stock by our executive officers, directors and holders of more than 5% of our capital stock during our last three fiscal years.

Name of Stockholder	Series D Preferred Stock
Entities affiliated with General Catalyst Partners(1)	894,034 shares
Entities affiliated with Accel Partners(2)	894,034 shares
Original Price per Share	$5.1817
Date of Issuance	March 2010

(1) Consists of (i) 862,817 shares of series D preferred stock issued and sold to General Catalyst Group III, L.P., or GCG III and (ii) 31,217 shares of series D preferred stock issued and sold to GC Entrepreneurs Fund III, L.P., or GCEF III. David Orfao, a partner at General Catalyst Partners, is a member of our board of directors.

(2) Consists of (i) 685,545 shares of series D preferred stock issued and sold to Accel IX L.P., (ii) 73,043 shares of series D preferred stock issued and sold to Accel IX Strategic Partners L.P., (iii) 63,923 shares of series D preferred stock issued and sold to Accel Investors 2005 L.L.C., and (iv) 71,523 shares of series D preferred stock issued and sold to Breyer Capital L.L.C. James Breyer, a partner at Accel Partners and managing member of Breyer Capital L.L.C., is a member of our board of directors.

Sales of Securities by Employees

In March 2010, certain of our investors purchased 645,436 shares of our common stock from eight employees, including 394,048 shares held by Jeremy Allaire, our Chief Executive Officer, at a per share price of $9.30, for aggregate consideration of approximately $6.0 million. In November 2010, certain of our investors purchased 129,087 shares of our common stock from Mr. Allaire at a per share price of $9.30, for aggregate consideration of approximately $1.2 million. Certain of these purchasers were holders of more than 5% of our outstanding capital stock and were affiliated with members of our board of directors. Our participation in these transactions was limited to the approval of these transactions by our board of directors after full disclosure of the financial interests of certain directors therein and waivers of our rights of first refusal with respect to the shares being sold.

The following table summarizes the shares of our common stock purchased by holders of more than 5% of our capital stock, certain of which are affiliated with members of our board of directors, in connection with the sales of securities by our employees. The terms of these purchases were the same as those made available to unaffiliated purchasers.

Purchasers	Common Stock	Aggregate Purchase Price
Entities affiliated with General Catalyst Partners(1)(2)	330,033	$ 3,068,007.84
Entities affiliated with Accel Partners(1)(3)	330,033	$ 3,068,007.84
AOL Inc.(4)	67,525	$ 627,722.25

(1) Consists of shares purchased in the March 2010 and November 2010 transactions.

(2) Consists of (i) 256,219 shares of common stock purchased by General Catalyst Group III, L.P., or GCG III, (ii) 9,270 shares of common stock purchased by GC Entrepreneurs Fund III, L.P., or GCEF III, (iii) 62,875 shares of common stock purchased by General Catalyst Group IV, L.P., or GCG IV, and (iv) 1,668 shares of common stock purchased by GC Entrepreneurs Fund IV, L.P., or GCEF IV. David Orfao, a partner at General Catalyst Partners, is a member of our board of directors.

(3) Consists of (i) 23,597 shares of common stock purchased by Accel Investors 2005 L.L.C., (ii) 253,070 shares of common stock purchased by Accel IX L.P., (iii) 29,963 shares of common stock purchased by Accel IX Strategic Partners L.P. and (iv) 26,402 shares of common stock purchased by Breyer Capital L.L.C. James Breyer, a partner at Accel Partners and managing member of Breyer Capital L.L.C., is a member of our board of directors.

(4) Consists of shares purchased in the March 2010 transaction.

Investor Rights Agreement

We are party to an investor rights agreement which provides that holders of our preferred stock, including certain holders of 5% of our capital stock and entities affiliated with certain of our directors, have certain registration rights, including the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing. For a more detailed description of these registration rights, see "Description of Capital Stock—Registration Rights."

Voting Agreement

We are party to a voting agreement under which holders of our preferred stock, including entities with which certain of our directors are affiliated, have agreed to vote in a certain way on certain matters, including with respect to the election of directors. Pursuant to the voting agreement, the holders of our series A preferred stock, voting as a separate class, have designated David Orfao and James Breyer for election to our board of directors. The holders of our common stock have designated Jeremy Allaire for election to our board of directors. The other directors on our board have unanimously designated David Mendels, Scott Kurnit, Deborah Besemer and Elizabeth Nelson for election to 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.

Board Compensation

Certain of our non-employee directors have received restricted stock awards or options to purchase shares of our common stock. For more information regarding these arrangements, see "Executive Compensation—Director Compensation."

Employment Agreements

We have entered into employment agreements with each of Messrs. Allaire, Mendels, Menard, Feinberg and Godin. For more information regarding these arrangements, see "Executive Compensation—Employment Agreements; Potential Payments Upon Termination or Change in Control."

Indemnification Agreements

We intend to enter into indemnification agreements with each of our directors and executive officers in connection with this offering. These agreements will, among other things, require us to indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's service as a director or executive officer.

Equity Awards

We have awarded restricted stock or granted options to purchase shares of our common stock to our directors and executive officers. See "Executive Compensation."

Other Transactions

In September 2008, we entered into a commercial agreement, which remains in effect, with AOL Inc., a previous holder of more than 5% of our capital stock, for the use of our Video Cloud product and other professional services. We have recognized approximately $4.6 million of revenue from AOL under this agreement from September 2008 through December 31, 2011. AOL sold all of its shares of our capital stock to certain of our existing investors in November 2010 and no longer owns any of our capital stock.

Policies for Approval of Related Party Transactions

Our board of directors reviews and approves transactions with directors, officers and holders of 5% or more of our capital stock and their affiliates, each of whom we refer to as a related party. Prior to this offering, before our board of directors' consideration of a transaction with a related party, the material facts as to the related party's relationship or interest in the transaction are disclosed to our board of directors, and the transaction is not considered approved by our board of directors unless a majority of the directors who are not interested in the transaction approve the transaction. Our policy with respect to approval of related party transactions prior to this offering is not in writing. We have adopted a written related party transaction approval policy that will govern the review of related party transactions following the closing of this offering. Pursuant to this policy, our audit committee shall review the material facts of all related party transactions. The audit committee shall take into account, among other factors that it deems appropriate, whether the related party transaction is on terms no less favorable to us than terms generally available in a transaction with an unrelated third party under the same or similar circumstances and the extent of the related party's interest in the related party transaction. Further, when stockholders are entitled to vote on a transaction with a related party, the material facts of the related party's relationship or interest in the transaction are disclosed to the stockholders, who must approve the transaction in good faith.

PRINCIPAL STOCKHOLDERS

The following table sets forth certain information known to us regarding beneficial ownership of our common stock as of December 31, 2011, as adjusted to reflect the sale of shares of common stock offered by us in this offering, for:

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

To the extent that the underwriters sell more than 5,000,000 shares of common stock in this offering, the underwriters have the option to purchase up to an additional 750,000 shares, at the initial public offering price less the underwriting discount.

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

The table lists applicable percentage ownership based on 21,375,037 shares of common stock outstanding as of December 31, 2011, assuming the conversion of all shares of our preferred stock as of December 31, 2011 into common stock. For purposes of the table below, we have assumed that 26,375,037 shares of common stock will be outstanding upon completion of this offering. Options to purchase shares of our common stock that are exercisable within 60 days of December 31, 2011, are deemed to be beneficially owned by the persons holding these options for the purpose of computing percentage ownership of that person, but are not treated as outstanding for the purpose of computing any other person’s ownership percentage. Unless otherwise indicated, the address for each beneficial owner is c/o Brightcove Inc., One Cambridge Center, Cambridge, MA 02142.

Name of Beneficial Owner	Shares Beneficially Owned Prior to Offering		Shares Beneficially Owned After Offering	
	Number	Percentage	Number	Percentage
5% Stockholders				
Entities affiliated with General Catalyst Partners(1)	5,634,339	26.4%	5,634,339	21.4%
Entities affiliated with Accel Partners(2)	5,634,336	26.4%	5,634,336	21.4%
Executive Officers and Directors				
Jeremy Allaire(3)	1,908,280	8.8%	1,908,280	7.1%
David Mendels(4)	476,979	2.2%	476,979	1.8%
Christopher Menard(5)	72,872	*	72,872	*
Andrew Feinberg(6)	236,055	1.1%	236,055	*
Edward Godin(7)	148,434	*	148,434	*
Deborah Besemer(8)	87,766	*	87,766	*
James Breyer(2)	5,634,336	26.4%	5,634,336	21.4%
Scott Kurnit(9)	210,007	1.0%	210,007	*
Elizabeth Nelson(10)	31,095	*	31,095	*
David Orfao(1)	5,634,339	26.4%	5,634,339	21.4%
All executive officers and directors as a group (10 persons)(11)	14,440,163	64.1%	14,440,163	52.5%

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

(1) Consists of (a) 159,950 shares held by GC Entrepreneurs Fund III, L.P., or GCEF III, (b) 4,420,889 shares held by General Catalyst Group III, L.P., or GCG III, (c) 27,227 shares held by GC Entrepreneurs Fund IV,

L.P., or GCEF IV, and (d) 1,026,273 shares held by General Catalyst Group IV, L.P., or GCG IV. Each of David Fialkow, John Simon, Joel Cutler and David Orfao, our director, is a Managing Director of General Catalyst GP III, LLC and General Catalyst GP IV, LLC and may be deemed to share voting and investment power over the shares held of record by GCEF III, GCG III, GCEF IV and GCG IV. The address for Mr. Orfao and General Catalyst Partners is 20 Cambridge Road, 4th Floor, Cambridge, MA 02138.

(2) Consists of (a) 402,820 shares held by Accel Investors 2005 L.L.C., or AI2005, (b) 4,320,455 shares held by Accel IX L.P., or A9, (c) 460,315 shares held by Accel IX Strategic Partners L.P., or A9SP, (d) 136,561 shares held by Breyer Capital L.L.C., of which Mr. Breyer, our director, is a managing member and (e) 314,185 shares held by The James W Breyer 2005 Trust, of which Mr. Breyer is a trustee. Mr. Breyer is deemed to indirectly own or control the shares held of record by AI2005, A9 and A9SP. Accel IX Associates L.L.C., or A9A, is the general partner of A9 and A9SP and has sole voting and investment power over the shares held by those limited partnerships. Each of Mr. Breyer, Kevin J. Efrusy, Ping Li, Arthur C. Patterson and Theresia Gouw Ranzetta is a managing member of A9A and AI2005 and may be deemed to share voting and investment power over the shares held of record by AI2005, A9 and A9SP.

(3) Consists of (a) 647,294 shares held directly by Mr. Allaire, (b) 367,103 shares issuable to Mr. Allaire upon exercise of stock options exercisable within 60 days after December 31, 2011 and (c) 893,883 shares which Mr. Allaire transferred to his ex-wife pursuant to a divorce settlement but over which Mr. Allaire continues to have voting rights.

(4) Consists of (a) 156,292 shares held directly by Mr. Mendels and (b) 320,687 shares issuable to Mr. Mendels upon exercise of stock options exercisable within 60 days after December 31, 2011.

(5) Consists of 72,872 shares issuable to Mr. Menard upon exercise of stock options exercisable within 60 days of December 31, 2011.

(6) Consists of (a) 111,458 shares held directly by Mr. Feinberg and (b) 124,597 shares issuable to Mr. Feinberg upon exercise of stock options exercisable within 60 days after December 31, 2011.

(7) Consists of 148,434 shares issuable to Mr. Godin upon exercise of stock options exercisable within 60 days after December 31, 2011.

(8) Consists of 87,766 shares issuable to Ms. Besemer upon exercise of stock options exercisable within 60 days after December 31, 2011.

(9) Consists of 210,007 shares held directly by Mr. Kurnit.

(10) Consists of 31,095 shares issuable to Ms. Nelson upon exercise of stock options exercisable within 60 days after December 31, 2011.

(11) See footnotes 1 through 10 above. Includes 1,152,554 shares issuable upon exercise of stock options exercisable within 60 days after December 31, 2011.

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of the rights of our common stock and preferred stock and related provisions of our amended and restated certificate of incorporation and amended and restated bylaws as they will be in effect upon the closing of this offering. For more detailed information, please see our amended and restated certificate of incorporation, amended and restated bylaws and investor rights agreement, filed as exhibits to the registration statement of which this prospectus forms a part.

Upon completion of this offering, our authorized capital stock will consist of 105,000,000 shares, par value of $0.001 per share, of which 100,000,000 shares will be designated as common stock and 5,000,000 shares will be designated as preferred stock.

At December 31, 2011, we had outstanding 21,375,037 shares of common stock held of record by 191 stockholders, assuming the automatic conversion into common stock of each outstanding share of preferred stock immediately prior to the completion of the offering. Upon completion of this offering, there will be 26,375,037 shares of our common stock outstanding.

Common Stock

On all matters submitted to our stockholders for vote, our common stockholders are entitled to one vote per share, voting together as a single class, and do not have cumulative voting rights. Accordingly, the holders of a majority of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they so choose. Subject to preferences that may apply to any shares of preferred stock outstanding, the holders of common stock are entitled to share equally in any dividends that our board of directors may determine to issue from time to time. Upon our liquidation, dissolution or winding-up, the holders of common stock shall be entitled to share equally all assets remaining after the payment of any liabilities and the liquidation preferences on any outstanding preferred stock. Holders of common stock have no preemptive or conversion rights or other subscription rights and there are no redemption or sinking fund provisions applicable to the common stock.

Preferred Stock

The board of directors will have the authority, without any action by the stockholders, to issue from time to time the preferred stock in one or more series and to fix the number of shares, designations, preferences, powers, and rights and the qualification, limitations or restrictions thereof. The preferences, powers, rights and restrictions of different series of preferred stock may differ with respect to dividend rates, amounts payable on liquidation, voting rights, conversion rights, redemption provisions, sinking fund provisions and other matters. The issuance of preferred stock could decrease the amount of earnings and assets available for distribution to holders of common stock or adversely affect the rights and powers, including voting rights, of the holders of common stock, and may have the effect of delaying, deferring or preventing a change in control of our company. The existence of authorized but unissued preferred stock may enable the 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 otherwise. For example, if in the due exercise of its fiduciary obligations, the board of directors were to determine that a takeover proposal was not in the best interests of our stockholders, the board of directors could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer, stockholder or stockholder group.

Registration Rights

We are party to an agreement with the founders, holders of convertible preferred stock and holders of warrants to purchase common stock or convertible preferred stock providing for rights to register under the Securities Act the shares of our common stock held, issuable upon the conversion of preferred stock held by them or issuable upon the conversion of preferred stock issuable under warrants held by them. Under this agreement, holders of shares having registration rights can request that their shares be covered by a registration statement that we are otherwise filing.

Piggyback Registration Rights. If we decide to register any of our securities under the Securities Act, either for our own account or for the account of a security holder or holders, the holders of registration rights are entitled to written notice of the registration and are entitled to include their shares of our common stock in the registration.

Demand Registration Rights. In addition, the holders of 50% or more in interest of the common stock issued or issuable upon conversion of the preferred stock held by the parties that have such registration rights may demand us to use our best efforts to effect the expeditious registration of their shares of our common stock on up to two occasions.

S-3 Registration. If we qualify for registration on Form S-3, certain holders of registration rights may also request a registration on Form S-3 and we are required to use our best efforts to effect the expeditious registration of their shares of our common stock. We may defer the filing of a registration statement on Form S-3 for up to 90 days if our board of directors determines in its good faith judgment that such registration would be materially detrimental to us and our stockholders. We may delay a registration on Form S-3 in this manner no more than twice in any twelve-month period.

Expenses of Registration. We are required to pay all registration expenses except any underwriting discounts and applicable selling commissions.

Anti-Takeover Effects of Delaware Law, Our Certificate of Incorporation and Our Bylaws

Our amended and restated certificate of incorporation and bylaws include a number of provisions that may have the effect of encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our board of directors rather than pursue non-negotiated takeover attempts. These provisions include the items described below.

Board Composition and Filling Vacancies. Our certificate of incorporation provides that directors may be removed only for cause and then only by the affirmative vote of the holders of 75% or more of the shares then entitled to vote at an election of directors. Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board, may only be filled by the affirmative vote of a majority of our directors then in office even if less than a quorum.

No Written Consent of Stockholders. Our certificate of incorporation provides that all stockholder actions are required to be taken by a vote of the stockholders at an annual or special meeting, and that stockholders may not take any action by written consent in lieu of a meeting.

Meetings of Stockholders. Our bylaws provide that only a majority of the members of our board of directors then in office may call special meetings of stockholders and only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders. Our bylaws limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

Advance Notice Requirements. Our bylaws establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days or more than 120 days prior to the first anniversary date of the annual meeting for the preceding year. The notice must contain certain information specified in the bylaws.

Amendment to Bylaws and Certificate of Incorporation. As required by the Delaware General Corporation Law, any amendment of our certificate of incorporation must first be approved by a majority of our board of directors and, if required by law or our certificate of incorporation, thereafter be approved by a majority of the outstanding shares entitled to vote on the amendment, and a majority of the outstanding shares of each class entitled to vote thereon as a class, except that the amendment of the provisions relating to stockholder action, directors, limitation of liability and the amendment of our bylaws and certificate of incorporation must be approved by not less than 75% of the outstanding shares entitled to vote on the amendment, and not less than 75% of the outstanding shares of each class entitled to vote thereon as a class. Our bylaws may be amended by the affirmative vote of a majority of the directors then in office, subject to any limitations set forth in the bylaws; and may also be amended by the affirmative vote of at least 75% of the outstanding shares entitled to vote on the amendment, or, if the board of directors recommends that the stockholders approve the amendment, by the affirmative vote of the majority of the outstanding shares entitled to vote on the amendment, in each case voting together as a single class.

Blank Check Preferred Stock. Our certificate of incorporation provides for 5,000,000 authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may 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 otherwise. For example, if in the due exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal is not in the best interests of us or our stockholders, our board of directors could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer, stockholder or stockholder group. In this regard, our certificate of incorporation grants our board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of these holders and may have the effect of delaying, deterring or preventing a change in control of us.

Section 203 of the Delaware General Corporation Law. We are subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly-held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A “business combination” includes, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. An “interested stockholder” is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, 15% or more of the corporation’s voting stock.

Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, the board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which 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, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or
- at or after the time the stockholder became interested, the business combination was approved by the board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

Exclusive Jurisdiction of Certain Actions. Our certificate of incorporation requires, to the fullest extent permitted by law, that derivative actions brought in our name, actions against our directors, officers and employees for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware. 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.

NASDAQ Global Market Listing

We have applied to have our common stock approved for listing on the NASDAQ Global Market under the symbol "BCOV".

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Continental Stock Transfer and Trust Company.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our capital stock. Future sales of our common stock, including shares issued upon the exercise of outstanding options or warrants, 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 as described below. 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.

Based on the number of shares outstanding as of December 31, 2011, upon the completion of this offering, 26,375,037 shares of common stock will be outstanding, assuming no exercise of the underwriters' over-allotment option and no exercise of outstanding options or warrants and the conversion of all outstanding shares of preferred stock. Of these shares, the 5,000,000 shares sold in this offering will be freely tradable, except that any shares held by our affiliates, as that term is defined in Rule 144 under the Securities Act, may only be sold in compliance with the limitations described below.

The remaining 21,375,037 shares of common stock outstanding after this offering will be restricted as a result of securities laws or lock-up agreements as described below. Following the expiration of the lock-up period, all shares will be eligible for resale in compliance with Rule 144 or Rule 701.

Rule 144

In general, under Rule 144 of the Securities Act, as currently in effect on the date of this prospectus, a person who has beneficially owned restricted shares of our common stock for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the 90 days preceding, a sale and (ii) we are subject to the Securities Exchange Act of 1934, as amended, periodic reporting requirements for at least 90 days before the sale. The six-month holding period increases to one year if we have not been a reporting company for at least 90 days. However, a non-affiliate who has beneficially owned the restricted shares proposed to be sold for at least one year will not be subject to any restrictions under Rule 144 regardless of how long we have been a reporting company. Persons who have beneficially owned restricted shares of our common stock for at least six months but who are our affiliates at the time of, or any time during the 90 days preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of either of the following:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately 263,750 shares immediately after this offering assuming no exercise of the underwriters' over-allotment option, based on the number of shares of common stock outstanding as of December 31, 2011; or
- the average weekly trading volume of our common stock on NASDAQ during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Provided, in each case, that we are subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale. Such sales both by affiliates and by non-affiliates must also comply with the manner of sale, current public information and notice provisions of Rule 144.

We are unable to estimate the number of shares that will be sold under Rule 144 since this will depend on the market price for our common stock, the personal circumstances of the stockholder and other factors.

Rule 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. Most of our employees, executive officers or directors who purchased shares under a written compensatory plan or contract before this offering may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares. However, substantially all Rule 701 shares are subject to lock-up agreements as described below and under “Underwriting” included elsewhere in this prospectus and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

Lock-up Agreements

All of our directors and officers and certain holders of our capital stock, who collectively hold approximately 98.5% of our fully diluted capital stock as of December 31, 2011, have signed a lock-up agreement, subject to certain exceptions, which prevents them from selling any shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock for a period of not less than 180 days from the date of this prospectus without the prior written consent of Morgan Stanley. This 180-day period may be extended if (i) during the last 17 days of the 180-day period we issue an earnings release or announce material news or a material event relating to us occurs; or (ii) prior to the expiration of the 180-day period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period, or we provide notification to Morgan Stanley of any earnings release, or material news or a material event that may give rise to an extension of the initial 180-day restricted period. The period of such extension will be 18 days, beginning on the issuance of the earnings release or the announcement of the material news or material event. Morgan Stanley may in its sole discretion and at any time without notice release some or all of the shares subject to lock-up agreements prior to the expiration of the 180-day period. When determining whether or not to release shares from the lock-up agreements, Morgan Stanley will consider, among other factors, the stockholder’s reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time.

Registration Rights

We are party to a registration rights agreement which provides that holders of our preferred stock and our founding stockholders have the right to demand that we file a registration statement or request that their shares of our common stock be covered by a registration statement that we are otherwise filing. See “Description of Capital Stock—Registration Rights” in this prospectus. Except for shares purchased by affiliates, registration of their shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon effectiveness of the registration, subject to the expiration of the lock-up period described above and under “Underwriting” in this prospectus, and to the extent such shares have been released from any repurchase option that we may hold.

Stock Plans

As of December 31, 2011, options to purchase a total of 3,986,706 shares of common stock were outstanding. All of the shares subject to options are subject to lock-up agreements. An additional 124,703 shares of common stock were available for future option grants under our equity incentive plans as of December 31, 2011. Such number does not include (i) 171,712 shares of common stock issuable upon the exercise of stock options approved by our board of directors for grant effective upon the earlier of (a) the closing of this offering at an exercise price equal to the price to the public listed on the cover page of this prospectus or (b) a date determined by our board of directors that is no later than December 15, 2012 at an exercise price determined by our board of directors on the date of such determination, and (ii) 1,700,000 shares of common stock reserved for future issuance under the 2012 Plan, which was approved by the board of directors in February 2012.

We intend to file one or more registration statements on Form S-8 under the Securities Act to register shares of our common stock issued or reserved for issuance under our stock option plans. The first such registration statement is expected to be filed soon after the date of this prospectus and will automatically become effective upon filing with the SEC. Accordingly, shares registered under such registration statement will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described above.

Warrants

In connection with a debt facility we entered into in September 2006 with General Electric Capital Corporation and TriplePoint Capital, which has since been repaid, we issued warrants which upon completion of this offering, will be exercisable for 46,713 shares of our common stock at $3.21 per share. The warrants expire in August 2016.

MATERIAL U.S. TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a general discussion of material U.S. federal income and estate tax considerations relating to ownership and disposition of our common stock by a non-U.S. holder. For purposes of this discussion, the term "non-U.S. holder" means a beneficial owner of our common stock that is not, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable 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 source; or
- a trust, if (1) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust, or (2) the trust has a valid election to be treated as a U.S. person under applicable U.S. Treasury regulations.

This discussion is based on current provisions of the U.S. Internal Revenue Code of 1986, as amended, or the Code, existing and proposed U.S. Treasury regulations promulgated thereunder and current administrative rulings and judicial decisions. These authorities are subject to change at any time, possibly with retroactive effect, or the U.S. Internal Revenue Service, or IRS, might interpret the existing authorities differently. In either case, the tax considerations of owning or disposing of common stock could differ from those described herein.

We assume in this discussion that each non-U.S. holder holds shares of our common stock as a capital asset. This discussion does not address all aspects of U.S. federal income and estate taxation that may be relevant to a particular non-U.S. holder in light of that non-U.S. holder's individual circumstances nor does it address any aspects of U.S. state, local or non-U.S. taxes. This discussion also does not consider any specific facts or circumstances that may apply to a non-U.S. holder and does not address the special tax rules applicable to particular non-U.S. holders such as:

- insurance companies;
- tax-exempt organizations;
- financial institutions;
- brokers or dealers in securities;
- regulated investment companies;
- pension plans;
- controlled foreign corporations;
- passive foreign investment companies;
- persons liable for alternative minimum tax;
- traders in securities that elect to use a mark-to-market method of accounting;
- owners that hold our common stock as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment; and
- certain U.S. expatriates.

In addition, this discussion does not address the tax treatment of partnerships or persons who hold their common stock through partnerships or other entities which are pass-through entities for U.S. federal income tax purposes. A partner in a partnership or other pass-through entity that will hold our common stock should consult his, her or its own tax advisor regarding the tax consequences of the ownership and disposition of our common stock through a partnership or other pass-through entity, as applicable.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSIDERATIONS OF HOLDING AND DISPOSING OF OUR COMMON STOCK.

Dividends

We do not expect to declare or pay any dividends on our common stock in the foreseeable future. If we pay distributions on our common stock, those distributions generally will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated as a tax-free return of the non-U.S. holder's investment, up to such holder's tax basis in the common stock. Any remaining excess will be treated as capital gain, subject to the tax treatment described below under the heading "Gain on Disposition of Common Stock."

Dividends paid to a non-U.S. holder generally will be subject to withholding of U.S. federal income tax at a 30% rate. The withholding tax might not apply, however, or might apply at a reduced rate, under the terms of an applicable income tax treaty between the United States and the non-U.S. holder's country of residence. Non-U.S holders are urged to consult their own tax advisors regarding their entitlement to benefits under a relevant income tax treaty. A non-U.S. holder of our common stock who claims the benefit of an applicable income tax treaty between the United States and such holder's country of residence generally will be required to certify its entitlement to treaty benefits. A non-U.S. holder generally can meet this certification obligation by providing a properly executed original and unexpired IRS Form W-8BEN (or successor form) and satisfying applicable certification and other requirements. For payments made to a foreign partnership or other pass-through entity, the certification requirements generally apply to the partners or other owners rather than to the partnership or other entity, and the partnership or other entity must provide the partners' or other owners' documentation to us or our paying agent. A non-U.S. holder that is eligible for a reduced rate of U.S. withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim with the IRS.

Dividends that are treated as effectively connected with a trade or business conducted by a non-U.S. holder within the United States, and, if an applicable income tax treaty so provides, that are attributable to a permanent establishment or a fixed base maintained by the non-U.S. holder within the United States, are generally exempt from the 30% withholding tax if the non-U.S. holder satisfies applicable certification and disclosure requirements. To obtain this exemption, a non-U.S. holder must provide us with a properly executed original and unexpired IRS Form W-8ECI properly certifying such exemption. However, such U.S. effectively connected income, net of specified deductions and credits, is taxed at the same graduated U.S. federal income tax rates applicable to U.S. persons (as defined in the Code). Any U.S. effectively connected income received by a non-U.S. holder that is a corporation may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and such holder's country of residence.

Gain on Disposition of Common Stock

A non-U.S. holder generally will not be subject to U.S. federal income tax on gain recognized on a disposition of our common stock unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and, if an applicable income tax treaty so provides, the gain is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States; in these cases, the non-U.S. holder will be taxed on a net income basis at the regular graduated rates and in the manner applicable to U.S. persons, and if the non-U.S. holder is a foreign corporation, an additional branch profits tax at a rate of 30%, or a lower rate as may be specified by an applicable income tax treaty, may also apply;

- the non-U.S. holder is a non-resident alien present in the United States for 183 days or more in the taxable year of the disposition and certain other requirements are met, in which case the non-U.S. holder will be subject to a 30% tax (or such lower rate as may be specified by an applicable income tax treaty) on the net gain derived from the disposition, which may be offset by U.S.-source capital losses of the non-U.S. holder, if any; or
- we are or have been, at any time during the five-year period preceding such disposition (or the non-U.S. holder's holding period, if shorter) a U.S. real property holding corporation, or USRPHC. Generally, a corporation is a USRPHC if the fair market value of its "U.S. real property interests" equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. We do not believe that we are a USRPHC and we do not anticipate becoming one. Even if we become a USRPHC, as long as our common stock is regularly traded on an established securities market, such common stock will be treated as subject to these rules only in the case of a non-U.S. holder that holds more than 5% of our outstanding common stock, directly or indirectly, during the shorter of the 5-year period ending on the date of the disposition or the period that the non-U.S. holder held our common stock.

Information Reporting and Backup Withholding Tax

We must report annually to the IRS and to each non-U.S. holder the gross amount of the distributions on our common stock paid to such holder and the tax withheld, if any, with respect to such distributions. Non-U.S. holders may have to comply with specific certification procedures to establish that the holder is not a U.S. person (as defined in the Code) in order to avoid backup withholding at the applicable rate, currently 28% through December 31, 2012, and thereafter set to increase to 31%, with respect to dividends on our common stock. Generally, a holder will comply with such procedures if it provides a properly executed original and unexpired IRS Form W-8BEN (or other applicable Form W-8). Dividends paid to non-U.S. holders subject to withholding of U.S. federal income tax, as described above under "Dividends," will generally be exempt from U.S. backup withholding.

Information reporting and backup withholding generally will apply to the proceeds of a disposition of our common stock by a non-U.S. holder effected by or through the U.S. office of any broker, U.S. or foreign, unless the holder certifies its status as a non-U.S. holder and satisfies certain other requirements, or otherwise establishes an exemption. Generally, information reporting and backup withholding will not apply to a payment of disposition proceeds to a non-U.S. holder where the transaction is effected outside the United States through a non-U.S. office of a broker. However, for information reporting purposes, dispositions effected through a non-U.S. office of a broker with substantial U.S. ownership or operations generally will be treated in a manner similar to dispositions effected through a U.S. office of a broker. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns may be made available to the tax authorities of the country in which the non-U.S. holder resides or is incorporated under the provisions of a specific treaty or agreement.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. holder can be refunded or credited against the non-U.S. holder's U.S. federal income tax liability, if any, provided that an appropriate claim is timely filed with the IRS.

Recently-Enacted Legislation

Recently-enacted legislation, that is effective with respect to amounts paid after December 31, 2012, generally imposes a U.S. federal withholding tax at a rate of 30% on dividends and the gross proceeds from a disposition of our common stock paid to certain foreign entities (including foreign financial institutions and certain non-financial foreign entities), unless such foreign entity satisfies various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with the entity) including in the case of a foreign financial institution, entering into an agreement with the U.S. Treasury regarding such requirement. Non-U.S. holders should consult their own tax advisors regarding the possible implications of this legislation on their investment in our common stock. Under applicable IRS guidance, the legislation's implementation has been delayed and any withholding obligation on payments to noncompliant foreign entities is currently set to apply (1) to dividends paid by us starting on January 1, 2014, and (2) to gain from the disposition of our common stock starting on January 1, 2015.

Federal Estate Tax

Common stock owned or treated as owned by an individual who is a non-U.S. holder (as specially defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes and, therefore, may be subject to U.S. federal estate tax, unless an applicable estate tax or other treaty provides otherwise.

THE PRECEDING DISCUSSION OF MATERIAL U.S. FEDERAL TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY. IT IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF HOLDING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGES IN APPLICABLE LAWS.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC and Stifel, Nicolaus & Company, Incorporated are acting as representatives, have severally agreed to purchase the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
Stifel, Nicolaus & Company, Incorporated	
RBC Capital Markets, LLC	
Pacific Crest Securities LLC	
Raymond James & Associates, Inc.	
Total	5,000,000

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option, described below. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased, or, in the case of a default with respect to the shares covered by the underwriters' over-allotment described below, the underwriting agreement may be terminated.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ a share under the public offering price. Any underwriter may allow, and such dealers may reallow, a concession not in excess of $ a share to other underwriters or to certain dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

The company has granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to 750,000 additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional 750,000 shares of common stock from us.

	Per Share	Total No Exercise	Full Exercise
Public offering price			
Underwriting discounts and commissions			
Proceeds, before expenses, to us			

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $3.8 million.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We have applied to have our common stock approved for listing on the NASDAQ Global Market under the symbol “BCOV”.

We and all directors and officers and the holders of approximately 98.5% of our fully diluted capital stock have agreed that, without the prior written consent of Morgan Stanley & Co. LLC on behalf of the underwriters, and subject to certain exceptions, we and they will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock;
- 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
- make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

In addition, we agree that, without the prior written consent of Morgan Stanley & Co. LLC on behalf of the underwriters, and subject to certain exceptions, we and they will not, during the period ending 180 days after the date of this prospectus, file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock. The restrictions described in this paragraph do not apply to:

- the sale of shares to the underwriters;
- the issuance by us of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus and disclosed in the prospectus;
- the issuance by us of shares or options to purchase shares of common stock pursuant to our equity plans outstanding on the date of this prospectus and disclosed in the prospectus; provided that the recipients enter into lock-up agreements;
- the filing by us of a registration statement with the SEC on Form S-8 relating to the offering of securities in accordance with the terms of a plan in effect on the date of this prospectus and described in the prospectus;
- the entry by us into an agreement providing for the issuance by us of shares of common stock or any security convertible into or exercisable for shares of common stock in connection with the acquisition by us or 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, and the issuance of any such securities pursuant to any such agreement; provided, that the aggregate number of shares of common stock that we may sell or issue or agree to sell or issue as described in this bullet point shall not exceed 5% of the total number of our shares of common stock issued and outstanding (on an as-converted or as-exercised basis, as the case may be) immediately following the completion of the offering; and provided further, that each recipient of such shares of common stock or securities convertible into or exercisable for common stock shall execute a lock-up agreement;
- transactions by a security holder relating to shares of common stock or other securities acquired in open market transactions after the completion of the offering, provided that no filing under

Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with subsequent sales of common stock or other securities acquired in such open market transactions;

- the transfer by a security holder of shares of common stock or any securities convertible into or exercisable or exchangeable for common stock (1) by bona fide gift, (2) by will or intestacy or to any trust for the benefit of such security holder or an immediate family member; (3) as distributions by a trust to its beneficiaries or (4) if the security holder is a corporation, partnership, trust or other business entity (a) to another corporation, partnership, trust or other business entity that is an affiliate of such security holder or (b) distributions of such shares or common stock into any security convertible or exercisable for common stock to limited partners, limited liability company members or stockholders of such security holder; provided that in each case, each transferee, trustee, donee or distributee shall sign and deliver a lock-up agreement and no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of common stock, shall be required or shall be voluntarily made during the lock-up period;
- the transfer by a security holder in connection with the exercise of an option to purchase shares of common stock granted under an employee benefit plan described in this prospectus and outstanding on the date hereof; provided that no filing under Section 16(a) of the Exchange Act reporting a reduction in beneficial ownership of shares of common stock, shall be required or shall be voluntarily made during the lock-up period; or
- the establishment by a security holder of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that such plan does not provide for the transfer of common stock during the lock-up period and no public announcement or filing under the Exchange Act regarding the establishment of such plan shall be required of or voluntarily made by or on behalf of the security holder or us.

The 180-day restricted period described in the preceding paragraphs will be extended if:

- during the last 17 days of the 180-day restricted period we issue an earnings release or material news event relating to us occurs, or
- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day period,

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

As described below under “Directed Share Program,” any participants in the Directed Share Program shall be subject to a 180-day lock up with respect to any shares sold to them pursuant to that program. This lock up will have similar restrictions and an identical extension provision as the lock-up agreement described above. Any shares sold in the Directed Share Program to our directors or officers shall be subject to the lock-up agreement described above.

In order to facilitate the offering of our common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase, creating a short position in the common stock for their own account. In addition, to cover over-allotments, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. Finally, the underwriting syndicate may reclaim selling concessions allowed to an underwriter or a dealer for distributing the common stock in the offering, if the syndicate repurchases previously distributed common stock in transactions to cover syndicate short positions, in stabilization transactions or otherwise. Any of these activities may stabilize or maintain the market price of the common stock above independent market levels or prevent or delay a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of these liabilities.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters may from time to time in the future provide us with investment banking, financial advisory or other services for which they may receive customary compensation.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives. Among the factors to be considered in determining the initial public offering price will be the future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours. The estimated initial public offering price range set forth on the cover page of this preliminary prospectus is subject to change as a result of market conditions and other factors. We cannot assure you that the prices at which the shares will sell in the public market after this offering will not be lower than the initial public offering price or that an active trading market in our common stock will develop and continue after this offering.

Directed Share Program

At our request, the underwriters have reserved up to 250,000 shares of common stock to be issued by us and offered by this prospectus for sale, at the initial public offering price, to directors, officers, employees, business associates and related persons of ours as well as certain family members of such persons. If purchased by these persons, these shares will be subject to a 180-day lock-up restriction. The number of shares of common stock available for sale to the general public will be reduced to the extent these individuals purchase such reserved shares. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each, a Relevant Member State, an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(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 representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented and agreed that:

(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 of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Hong Kong, Singapore and Japan

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), (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.

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.

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, or the Financial Instruments and Exchange Law, and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the company, or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the shares.

LEGAL MATTERS

Goodwin Procter LLP, Boston, Massachusetts, will pass upon the validity of the common stock offered by this prospectus. Wilmer Cutler Pickering Hale and Dorr LLP, Boston, Massachusetts, will pass upon legal matters relating to this offering for the underwriters.

EXPERTS

The consolidated financial statements of Brightcove Inc. at December 31, 2010 and 2011, and for the years then ended, appearing in this prospectus and registration statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm, as experts in accounting and auditing.

The consolidated financial statements of Brightcove Inc. and subsidiaries for the year ended December 31, 2009 included in this prospectus and registration statement have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

CHANGE IN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

On November 30, 2010, with the approval of our board of directors, we dismissed PricewaterhouseCoopers, LLP as our independent registered public accounting firm.

The report of PricewaterhouseCoopers LLP on the financial statements for the year ended December 31, 2009 contained no adverse opinion or disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope, or accounting principles.

During the year ended December 31, 2009, and the subsequent period from January 1, 2010 through November 30, 2010, there were no disagreements with PricewaterhouseCoopers LLP on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of PricewaterhouseCoopers LLP would have caused them to make reference to the subject matter of the disagreements in its reports on our financial statements for such years.

During the year ended December 31, 2009, and the subsequent period from January 1, 2010 through November 30, 2010, there were no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K.

PricewaterhouseCoopers LLP was provided with a copy of the above statements and we requested that it furnish us a letter addressed to the SEC stating whether or not it agrees with the above statements. A copy of PricewaterhouseCoopers LLP's letter is included as an exhibit to this registration statement.

On November 30, 2010, with the approval of our board of directors, we engaged Ernst & Young LLP as our new independent registered public accounting firm. During the year ended December 31, 2009, and the subsequent period from January 1, 2010 through November 30, 2010, neither we nor anyone on our behalf consulted Ernst & Young LLP regarding either (1) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, or (2) any matter that was a disagreement, as that term is defined in Item 304(a)(1)(iv) of Regulation S-K, or a reportable event, as that term is defined in Item 304(a)(1)(v) of Regulation S-K. Ernst & Young LLP has reported on our consolidated financial statements for the fiscal years ended December 31, 2010 and December 31, 2011.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 (File Number 333-176444) under the Securities Act with respect to the shares of common stock we are offering by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information included in the registration statement, some items of which are contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information pertaining to us and our common stock, you should refer to the registration statement, including the exhibits and the financial statements and notes filed as a part of the registration statement. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document.

Upon the closing of the offering, we will be subject to the informational requirements of the Exchange Act and will file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read our SEC filings, including the registration statement, over the Internet at the SEC's website at *www.sec.gov*. You may also read and copy any document we file with the SEC at its public reference facility at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. We also maintain a website at *www.brightcove.com*. Upon completion of this offering, you may access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information on, or that can be accessed through, our website does not constitute part of this prospectus.

You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

MARKET AND INDUSTRY DATA AND FORECASTS

In this prospectus, when we refer to the average number of video streams delivered using Video Cloud and the number of unique visitors and websites reached by our customers using Video Cloud, we are referring to internally-measured user information. This information is measured by our internal data collection service or our third-party analytics provider.

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, is based on information from independent industry analysts and third party sources, and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third party sources, as well as data from our internal research, and are based on assumptions, which we believe to be reasonable, made by us based on such data, as well as our knowledge of our industry, customers and products. For a discussion of the methodology we followed, including the underlying assumptions, in developing our estimate of our total potential market opportunity, please see "Business—Our Market and Industry—Potential Market Opportunity." None of the sources cited in this prospectus has consented to the inclusion of any data from its reports, nor have we sought their consent. This information involves a number of assumptions and limitations, and we caution you not to give undue weight to such estimates. Projections, assumptions and estimates of our future performance and the future performance of the industries in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Brightcove Inc.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of
Brightcove Inc.

We have audited the accompanying consolidated balance sheets of Brightcove Inc. (the Company) as of December 31, 2010 and 2011, and the related consolidated statements of operations, redeemable convertible preferred stock, stockholders' deficit, and comprehensive loss, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Brightcove Inc. at December 31, 2010 and 2011, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Boston, Massachusetts
February 6, 2012

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Brightcove Inc.

In our opinion, the consolidated statements of operations, redeemable convertible preferred stock, stockholders' deficit and comprehensive loss and cash flows for the year ended December 31, 2009 present fairly, in all material respects, the results of operations and cash flows of Brightcove Inc. and its subsidiaries for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Boston, Massachusetts
June 10, 2010, except Note 12 to the consolidated financial statements and the net loss per share information included in Note 2 and the consolidated statements of operations, as to which the date is August 23, 2011, and except for the effects of the stock split discussed in Note 14, as to which the date is February 6, 2012

Brightcove Inc.

Consolidated Balance Sheets

(in thousands, except share and per share data)

	December 31, 2010	December 31, 2011	December 31, 2011 Pro Forma (unaudited)
Assets			
Current assets:			
Cash and cash equivalents	$ 20,341	$ 17,227	$ 17,227
Accounts receivable, net of allowance of $298, and $266, at December 31, 2010 and 2011, respectively (includes related party amounts of $902 and $667 at December 31, 2010 and 2011, respectively)	9,272	14,693	14,693
Prepaid expenses	1,267	1,560	1,560
Other current assets	181	1,774	1,774
Total current assets	31,061	35,254	35,254
Long-term investments	2,878	—	—
Property and equipment, net	4,706	6,079	6,079
Goodwill	2,372	2,372	2,372
Deferred initial public offering costs	—	2,544	2,544
Restricted cash	554	233	233
Other assets	413	856	856
Total assets	$ 41,984	$ 47,338	$ 47,338
Liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity			
Current liabilities:			
Accounts payable	$ 1,061	$ 2,026	$ 2,026
Accrued expenses	7,327	8,773	8,773
Current portion of long-term debt	—	833	833
Deferred revenue	5,410	13,418	13,418
Total current liabilities	13,798	25,050	25,050
Deferred revenue, net of current portion	332	354	354
Long-term debt	—	6,167	6,167
Other liabilities	102	77	77
Redeemable convertible preferred stock warrants	285	424	—
Total liabilities	14,517	32,072	31,648
Commitments and contingencies (*Note 4*)			
Redeemable convertible preferred stock (*Note 5*)	114,404	120,351	—
Stockholders' (deficit) equity:			
Common stock, $0.001 par value; 68,000,000 shares authorized; 4,876,025 and 5,224,532 shares issued and outstanding at December 31, 2010 and 2011 (actual), respectively, and 21,375,037 shares at December 31, 2011 (pro forma)	5	5	21
Additional-paid-in-capital	—	—	106,141
Accumulated other comprehensive income	814	1,056	1,056
Accumulated deficit	(88,503)	(107,254)	(92,636)
Total stockholders' (deficit) equity attributable to Brightcove Inc.	(87,684)	(106,193)	14,582
Non-controlling interest in consolidated subsidiary	747	1,108	1,108
Total stockholders' (deficit) equity	(86,937)	(105,085)	15,690
Total liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity	$ 41,984	$ 47,338	$ 47,338

See accompanying notes.

Brightcove Inc.

Consolidated Statements of Operations

(in thousands, except per share data)

	Year Ended December 31, 2009	2010	2011
Revenue:			
Subscription and support revenue	$32,240	$ 40,521	$ 60,169
Professional services and other revenue	3,947	3,195	3,394
Total revenue(1)	36,187	43,716	63,563
Cost of revenue:(2)			
Cost of subscription and support revenue	6,986	11,060	15,478
Cost of professional services and other revenue	3,463	4,065	4,744
Total cost of revenue	10,449	15,125	20,222
Gross profit	25,738	28,591	43,341
Operating expenses:(2)			
Research and development	8,927	12,257	15,267
Sales and marketing	13,218	24,124	31,564
General and administrative	6,696	9,617	12,640
Total operating expenses	28,841	45,998	59,471
Loss from operations	(3,103)	(17,407)	(16,130)
Other income (expense):			
Interest income	313	185	23
Interest expense	—	—	(358)
Other income (expense), net	22	(503)	(719)
Total other income (expense), net	335	(318)	(1,054)
Loss before income taxes and non-controlling interest in consolidated subsidiary	(2,768)	(17,725)	(17,184)
Provision for income taxes	55	56	90
Consolidated net loss	(2,823)	(17,781)	(17,274)
Net loss (income) attributable to non-controlling interest in consolidated subsidiary	478	280	(361)
Net loss attributable to Brightcove Inc.	(2,345)	(17,501)	(17,635)
Accretion of dividends on redeemable convertible preferred stock	(4,918)	(5,470)	(5,639)
Net loss attributable to common stockholders	$ (7,263)	$(22,971)	$(23,274)
Net loss per share attributable to common stockholders—basic and diluted	$ (1.70)	$ (4.98)	$ (4.75)
Weighted-average number of common shares used in computing net loss per share attributable to common stockholders—basic and diluted	4,276	4,612	4,900
Pro forma net loss per share attributable to common stockholders—basic and diluted (unaudited)			$ (0.84)
Pro forma weighted-average number of common shares used in computing net loss per share attributable to common stockholders—basic and diluted (unaudited)			21,051
(1) Includes related party revenue (*Note 8*)	$ 2,756	$ 4,116	$ 3,934
(2) Stock-based compensation included in above line items:			
Cost of subscription and support revenue	$ 21	$ 26	$ 52
Cost of professional services and other revenue	36	99	117
Research and development	125	369	367
Sales and marketing	102	1,459	1,008
General and administrative	224	1,362	2,653

See accompanying notes.

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Brightcove Inc.

Consolidated Statements of Redeemable Convertible Preferred Stock, Stockholders' (Deficit) Equity and Comprehensive Loss

(in thousands, except share data)

	Series A Redeemable Convertible Preferred Stock		Series B Redeemable Convertible Preferred Stock		Series C Redeemable Convertible Preferred Stock		Series D Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Compre -hensive Income	Accumulated Deficit	Total Stock -holders' Deficit Attributable to Brightcove Inc.	Non-Controlling Interest	Total Stockholders' (Deficit) Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Par Value						
Balance at December 31, 2008	5,375,000	6,542	6,921,854	20,152	7,392,163	64,319	—	—	4,239,891	4	—	732	(61,261)	(60,525)	1,505	(59,020)
Issuance of common stock upon exercise of stock options	—	—	—	—	—	—	—	—	343,732	1	239	—	—	240	—	240
Repurchase of common stock	—	—	—	—	—	—	—	—	(44,093)	—	—	—	—	—	—	—
Accretion of redeemable convertible preferred stock to redemption value	—	12	—	33	—	748	—	—	—	—	—	—	(794)	(794)	—	(794)
Accretion of cumulative dividends on redeemable convertible preferred stock	—	323	—	1,026	—	3,570	—	—	—	—	(747)	—	(4,171)	(4,918)	—	(4,918)
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	—	508	—	—	508	—	508
Components of comprehensive loss:																
Change in market value of investments									—	—	—	62	—	62	—	62
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	(110)	—	(110)	—	(110)
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	(2,345)	(2,345)	(478)	(2,823)
Net comprehensive loss														(2,393)		(2,871)

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Brightcove Inc.

Consolidated Statements of Redeemable Convertible Preferred Stock, Stockholders' (Deficit) Equity and Comprehensive Loss (continued)

(in thousands, except share data)

	Series A Redeemable Convertible Preferred Stock		Series B Redeemable Convertible Preferred Stock		Series C Redeemable Convertible Preferred Stock		Series D Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Compre -hensive Income	Accumulated Deficit	Total Stock -holders' Deficit Attributable to Brightcove Inc.	Non-Controlling Interest	Total Stockholders' (Deficit) Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Par Value						
Balance at December 31, 2009	5,375,000	6,877	6,921,854	21,211	7,392,163	68,637	—	—	4,539,530	5	—	684	(68,571)	(67,882)	1,027	(66,855)
Issuance of Series D redeemable convertible preferred stock, net of issuance costs of $222	—	—	—	—	—	—	2,315,842	11,778	—	—	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	—	—	—	—	—	—	—	183,110	—	154	—	—	154	—	154
Issuance of restricted common stock	—	—	—	—	—	—	—	—	156,292	—	—	—	—	—	—	—
Repurchase of common stock	—	—	—	—	—	—	—	—	(2,907)	—	—	—	—	—	—	—
Accretion of redeemable convertible preferred stock to redemption value	—	6	—	17	—	374	—	33	—	—	—	—	(430)	(430)	—	(430)
Accretion of cumulative dividends on redeemable convertible preferred stock	—	323	—	1,026	—	3,570	—	552	—	—	(3,469)	—	(2,001)	(5,470)	—	(5,470)
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	—	3,315	—	—	3,315	—	3,315
Components of comprehensive loss:																
Change in market value of investments	—	—	—	—	—	—	—	—	—	—	—	(62)	—	(62)	—	(62)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	192	—	192	—	192
Net loss	—	—	—	—	—	—	—	—	—	—	—	—	(17,501)	(17,501)	(280)	(17,781)
Net comprehensive loss														(17,371)		(17,651)

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Brightcove Inc.

Consolidated Statements of Redeemable Convertible Preferred Stock, Stockholders’ (Deficit) Equity and Comprehensive Loss (continued)

(in thousands, except share data)

	Series A Redeemable Convertible Preferred Stock		Series B Redeemable Convertible Preferred Stock		Series C Redeemable Convertible Preferred Stock		Series D Redeemable Convertible Preferred Stock		Common Stock							
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Par Value	Additional Paid-In Capital	Accumulated Other Compre -hensive Income	Accumulated Deficit	Total Stock -holders’ Deficit Attributable to Brightcove Inc.	Non-Controlling Interest	Total Stockholders’ (Deficit) Equity
Balance at December 31, 2010	5,375,000	7,206	6,921,854	22,254	7,392,163	72,581	2,315,842	12,363	4,876,025	5	—	814	(88,503)	(87,684)	747	(86,937)
Issuance of common stock upon exercise of stock options	—	—	—	—	—	—	—	—	348,507	—	475	—	—	475	—	475
Vesting of restricted stock	—	—	—	—	—	—	—	—	—	—	159	—	—	159	—	159
Accretion of redeemable convertible preferred stock to redemption value	—	4	—	11	—	249	—	44	—	—	—	—	(308)	(308)	—	(308)
Accretion of cumulative dividends on redeemable convertible preferred stock	—	323	—	1,026	—	3,570	—	720	—	—	(4,831)	—	(808)	(5,639)	—	(5,639)
Stock-based compensation expense	—	—	—	—	—	—	—	—	—	—	4,197	—	—	4,197	—	4,197
Components of comprehensive loss:																
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	—	—	—	242	—	242	—	242
Net (loss) income	—	—	—	—	—	—	—	—	—	—	—	—	(17,635)	(17,635)	361	(17,274)
Net comprehensive loss	—	—	—	—	—	—	—	—	—	—	—	—	—	(17,393)		(17,032)

Brightcove Inc.

Consolidated Statements of Redeemable Convertible Preferred Stock, Stockholders' (Deficit) Equity and Comprehensive Loss (continued)

(in thousands, except share data)

	Series A Redeemable Convertible Preferred Stock		Series B Redeemable Convertible Preferred Stock		Series C Redeemable Convertible Preferred Stock		Series D Redeemable Convertible Preferred Stock		Common Stock		Additional	Accumu-lated Other		Total Stock-holders' Deficit Attributable		Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Par Value	Paid-In Capital	Compre-hensive Income	Accumu-lated Deficit	to Brightcove Inc.	Non-Controlling Interest	Stockholders' (Deficit) Equity
Balance at December 31, 2011	5,375,000	7,533	6,921,854	23,291	7,392,163	76,400	2,315,842	13,127	5,224,532	5	—	1,056	(107,254)	(106,193)	1,108	(105,085)
Conversion of redeemable convertible preferred stock into common stock (unaudited)	(5,375,000)	(7,533)	(6,921,854)	(23,291)	(7,392,163)	(76,400)	(2,315,842)	(13,127)	16,150,505	16	105,717	—	14,618	120,351	—	120,351
Reclassification of warrants to purchase shares of redeemable convertible preferred stock into warrants to purchase common stock (unaudited)	—	—	—	—	—	—	—	—	—	—	424	—	—	424	—	424
Pro forma, December 31, 2011 (unaudited)	—	$ —	—	$ —	—	$ —	—	$ —	21,375,037	$ 21	$ 106,141	$ 1,056	$ (92,636)	$ 14,582	$ 1,108	$ 15,690

See accompanying notes.

Brightcove Inc.

Consolidated Statements of Cash Flows

(in thousands)

	Year Ended December 31, 2009	2010	2011
Operating activities			
Net loss	$ (2,823)	$(17,781)	$(17,274)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,778	2,199	2,992
Stock-based compensation	508	3,315	4,197
Change in fair value of warrants	14	186	139
Provision for reserves on accounts receivable	119	133	52
Amortization of deferred financing costs	—	—	12
Unrealized gain on investments	—	(16)	—
Loss on disposal of equipment	—	—	46
Loss on sale of investments	—	—	146
Changes in assets and liabilities:			
Accounts receivable	(1,043)	(2,037)	(5,438)
Prepaid expenses	(241)	(334)	(311)
Other current assets	(30)	(30)	(1,588)
Other assets	(70)	(299)	(452)
Accounts payable	505	2	800
Accrued expenses	2,062	2,361	1,466
Deferred revenue	(628)	1,539	8,014
Net cash provided by (used in) operating activities	151	(10,762)	(7,199)
Investing activities			
Sales of investments	75	50	2,732
Purchases of property and equipment	(1,075)	(2,720)	(4,064)
Capitalization of internal-use software costs	(694)	(829)	(354)
(Increase) decrease in restricted cash	(209)	67	321
Net cash used in investing activities	(1,903)	(3,432)	(1,365)
Financing activities			
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	—	11,778	—
Proceeds from issuance of common stock, net of repurchases	240	154	475
Borrowings under term loan	—	—	7,000
Deferred initial public offering costs	—	—	(2,287)
Net cash provided by financing activities	240	11,932	5,188
Effect of exchange rate changes on cash	(110)	49	262
Net decrease in cash and cash equivalents	(1,622)	(2,213)	(3,114)
Cash and cash equivalents at beginning of period	24,176	22,554	20,341
Cash and cash equivalents at end of period	$22,554	$ 20,341	$ 17,227
Supplemental disclosure of cash flow information			
Cash paid for income taxes	$ 55	$ 19	$ 18
Supplemental disclosure of non-cash financing activities			
Accretion of Series A, B, C and D redeemable convertible preferred stock issuance costs and dividends	$ 5,712	$ 5,900	$ 5,947
Vesting of restricted stock	$ —	$ —	$ 159

See accompanying notes.

Brightcove Inc.

Notes to Consolidated Financial Statements

Years Ended December 31, 2009, 2010 and 2011

(in thousands, except share and per share data, unless otherwise noted)

1. Organization and Operations

Brightcove Inc. (the Company) is a provider of cloud-based solutions for publishing and distributing professional digital media which enable its customers to publish and distribute video to Internet-connected devices quickly, easily and in a cost-effective manner.

The Company is headquartered in Cambridge, Massachusetts. The Company was incorporated in the state of Delaware on August 24, 2004. At December 31, 2011, the Company had six wholly-owned subsidiaries: Brightcove UK Ltd, Brightcove Singapore Pte. Ltd., Brightcove Korea, Brightcove Australia Pty Ltd, Brightcove Holdings, Inc. and Bright Bay Co. Ltd. as well as one majority-owned subsidiary, Brightcove Kabushiki Kaisha (Brightcove KK).

At this time, management believes that the Company has sufficient resources to fund operations through at least January 1, 2013, based upon its available capital, its current operating plan, and management's ability and commitment to reduce operating expenses if the Company does not achieve the revenue anticipated in its current operating plan. The Company may need to raise additional capital to fund future operations, develop new, and enhance existing, products and services, or acquire complementary products, businesses or technologies. However, if and when required, additional capital may not be available on terms favorable to the Company or available at all.

2. Summary of Significant Accounting Policies

The accompanying consolidated financial statements reflect the application of certain significant accounting policies as described below and elsewhere in these notes to the consolidated financial statements.

The Company believes that a significant accounting policy is one that is both important to the portrayal of the Company's financial condition and results, and requires management's most difficult, subjective, or complex judgments, often as the result of the need to make estimates about the effect of matters that are inherently uncertain.

Unaudited Pro Forma Presentation

The unaudited pro forma balance sheet and the unaudited pro forma statement of redeemable convertible preferred stock, stockholders' equity and comprehensive loss as of December 31, 2011 reflect the automatic conversion, at the closing of an initial public offering of the Company's common stock, of all outstanding shares of redeemable convertible preferred stock into 16,150,505 shares of common stock based on the shares of redeemable convertible preferred stock outstanding at December 31, 2011, and the automatic conversion of warrants to purchase 60,728 shares of redeemable convertible preferred stock into warrants to purchase 46,713 shares of common stock based on the warrants outstanding at December 31, 2011. Unaudited pro forma net loss per share is computed using the weighted-average number of common shares outstanding after giving pro forma effect to the conversion of all redeemable convertible preferred stock during the year ended December 31, 2011 into shares of the Company's common stock as if such conversion had occurred at the date of original issuance. Upon conversion of the redeemable convertible preferred stock into shares of the Company's common stock in the event of an initial public offering, the holders of the redeemable convertible preferred stock are not entitled to receive undeclared dividends. Accordingly, the impact of the accretion of unpaid and undeclared dividends has been excluded from the determination of net loss attributable to common stockholders used to compute pro forma net loss per share. Additionally, the cumulative accretion of unpaid and undeclared dividends has been reflected

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

as an increase to additional-paid-in-capital and accumulated deficit in the accompanying unaudited pro forma statement of redeemable convertible preferred stock, stockholders' equity and comprehensive loss as of December 31, 2011.

Use of Estimates and Uncertainties

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts expensed during the reporting period. Actual results could differ from those estimates.

Significant estimates relied upon in preparing these consolidated financial statements include revenue recognition and revenue reserves, allowances for doubtful accounts, expected future cash flows used to evaluate the recoverability of long-lived assets, contingent liabilities, expensing and capitalization of research and development costs for internal-use software, the determination of the fair value of stock awards issued, stock-based compensation expense, and the recoverability of the Company's net deferred tax assets and related valuation allowance.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates. Changes in estimates are recorded in the period in which they become known. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results may differ from management's estimates if these results differ from historical experience, or other assumptions do not turn out to be substantially accurate, even if such assumptions are reasonable when made.

The Company is subject to a number of risks and uncertainties common to companies in similar industries and stages of development including, but not limited to, rapid technological changes, competition from substitute products and services from larger companies, customer concentration, management of international activities, protection of proprietary rights, patent litigation, and dependence on key individuals.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and other non-controlling interests. All significant intercompany balances and transactions have been eliminated in consolidation.

Non-controlling interests represent the minority stockholders' proportionate share (37%) of the Company's majority-owned subsidiary, Brightcove KK, a Japanese joint venture, which was formed on July 18, 2008. The non-controlling interest in Brightcove KK is reported as a separate component of stockholders' (deficit) equity in the accompanying consolidated financial statements. The portion of net loss (income) attributable to non-controlling interests is presented as net loss (income) attributable to non-controlling interests in consolidated subsidiary in the consolidated statements of operations, and the portion of other comprehensive loss of this subsidiary is presented in the consolidated statements of redeemable convertible preferred stock, stockholders' (deficit) equity and comprehensive loss. Net loss (income) attributable to non-controlling interests for the years ended December 31, 2009, 2010 and 2011 was $(478), $(280) and $361, respectively. There were no non-controlling interests prior to July 2008. See Note 6 for further discussion.

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

Subsequent Events Considerations

The Company has evaluated subsequent events after the audited balance sheet date of December 31, 2011 through February 6, 2012, the date these financial statements were filed with the SEC.

Foreign Currency Translation

The reporting currency of the Company is the U.S. dollar. The functional currency of the Company's foreign subsidiaries is the local currency of each subsidiary. All assets and liabilities in the balance sheets of entities whose functional currency is a currency other than the U.S. dollar are translated into U.S. dollar equivalents at exchange rates as follows: (1) asset and liability accounts at period-end rates, (2) income statement accounts at weighted-average exchange rates for the period, and (3) stockholders' equity accounts at historical exchange rates. The resulting translation adjustments are excluded from income (loss) and reflected as a separate component of stockholders' deficit. Foreign currency transaction gains and losses are included in net loss for the period. The Company may periodically have certain intercompany foreign currency transactions that are deemed to be of a long-term investment nature; exchange adjustments related to those transactions are made directly to a separate component of stockholders' deficit.

Cash, Cash Equivalents and Investments

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. Investments not classified as cash equivalents with maturities less than one year from the balance sheet date, are classified as short-term investments, while investments with maturities in excess of one year from the balance sheet date are classified as long-term investments. Management determines the appropriate classification of investments at the time of purchase, and re-evaluates such determination at each balance sheet date.

Cash and cash equivalents primarily consist of cash on deposit with banks, and amounts held in interest-bearing money market accounts. Cash equivalents are carried at cost, which approximates their fair market value.

The Company's investments consisted of auction rate securities (ARS), which were classified as available-for-sale because it was the Company's intent not to hold them to maturity. Auction rate securities are debt instruments issued by various municipalities throughout the United States. Available-for-sale securities are reported at fair value, with temporary unrealized gains (losses) excluded from earnings and reported in a separate component of stockholders' deficit, while other-than-temporary unrealized losses are included in earnings as a component of other income (expense) in the period identified.

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

Cash, cash equivalents and long-term investments as of December 31, 2010 and 2011 consist of the following:

	December 31, 2010			
Description	Contracted Maturity	Amortized Cost	Fair Market Value	Balance Per Balance Sheet
Cash	Demand	$ 5,630	$ 5,630	$ 5,630
Money market funds	Demand	14,711	14,711	14,711
Total cash and cash equivalents		$20,341	$ 20,341	$ 20,341
Auction rate securities	28 years	$ 3,875	$ 2,878	$ 2,878
Total long-term investments		$ 3,875	$ 2,878	$ 2,878

	December 31, 2011			
Description	Contracted Maturity	Amortized Cost	Fair Market Value	Balance Per Balance Sheet
Cash	Demand	$14,492	$ 14,492	$ 14,492
Money market funds	Demand	2,735	2,735	2,735
Total cash and cash equivalents		$17,227	$ 17,227	$ 17,227

As of December 31, 2008, the Company held ARS totaling $4,000 at par value. These ARS are debt instruments issued by the District of Columbia to finance construction of a facility, and have credit ratings of "A" or "Baa1" (or equivalent) from a recognized rating agency. Historically, the carrying value of ARS approximated fair value due to the frequent resetting of the interest rates. Beginning in February 2008, with the liquidity issues experienced in the global credit and capital markets, the Company's ARS experienced multiple failed auctions. While the Company continued to earn and receive interest on these investments at the maximum contractual rate, the estimated fair value of these ARS no longer approximated par value.

The Company concluded that the fair value of these ARS at December 31, 2008 was $2,987, a decline of $1,013 from par value. Fair value was determined using a discounted cash flow model that considered the following key inputs: (i) the underlying structure of each security; (ii) the present value of the future principal and interest payments discounted at rates considered to reflect current market conditions and the relevant risk associated with each security; and (iii) consideration of the time horizon that the market value of each security could return to its cost. In making these assumptions, the Company considered relevant factors, including: the formula applicable to each security which defines the interest rate in the event of a failed auction; forward projections of the interest rate benchmarks specified in such formulas; and the likely timing of principal repayments. The Company's estimate of the rate of return required by investors to own these securities also considered the current reduced liquidity for ARS. The decline in fair value was deemed other than temporary, and accordingly, the Company recorded an impairment charge of $1,013 in the consolidated statement of operations for the year ended December 31, 2008.

During the year ended December 31, 2009, $75 of the Company's ARS were called by the respective issuers at par value, reducing the total par value of ARS held to $3,925. As of December 31, 2009, the Company concluded that the fair value of these ARS increased to $2,974 and therefore, recorded the change in fair value of these securities from December 31, 2008 of $62 as an unrealized gain in accumulated other comprehensive income for the year ended December 31, 2009. Fair value was determined using a discounted cash flow model as discussed above.

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

During the year ended December 31, 2010, an additional $50 of the Company's ARS were called by the respective issuers at par value, reducing the total par value of ARS held to $3,875. As these securities had previously been deemed impaired, and were ultimately settled at par value, the Company recorded other income of $16 to reflect the reversal of the portion of the other-than-temporary impairment associated with the securities that were settled. As of December 31, 2010, the Company concluded that the fair value of the remaining ARS was $2,878 and therefore, recorded the change in fair value of these securities from December 31, 2009 of $62 as an unrealized loss in accumulated other comprehensive loss for the year ended December 31, 2010. Fair value was determined using a discounted cash flow model as discussed above.

The Company did not have any realized gains or losses from the sale of available-for-sale investments for the years ended December 31, 2009 and 2010.

As of December 31, 2009 and 2010, the ARS have been classified as long-term investments in the accompanying consolidated balance sheets due to the uncertainty associated with these securities as the funds associated with the ARS that failed auction may not have been accessible until a successful auction occurs, a buyer is found outside of the auction process, the security is called, or the underlying securities have matured.

During the year ended December 31, 2011, the Company sold its remaining ARS for total proceeds of $2,732, and recorded a realized loss of $146 to other expense in the consolidated statement of operations for the year ended December 31, 2011.

Restricted Cash

As of December 31, 2010, the Company had restricted cash in the amount of $554 used to collateralize stand by letters of credit outstanding, $354 of which, was substantially in favor of its landlords for office space in Seattle, Washington; Cambridge, Massachusetts; and New York, New York. These letters of credit renew annually, and mature in August 2013, July 2012, and August 2012, respectively. As of December 31, 2011, the restricted cash balance associated with these letters of credit outstanding was $33. The reduction in restricted cash was related to the letter of credit for the Company's Cambridge, Massachusetts facility being transferred under one of the bank credit facilities (Note 10). As such, the related certificate of deposit was no longer considered restricted. The remaining $200 is associated with the contractual provisions of the Company's corporate credit card.

Disclosure of Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, which include cash, cash equivalents, accounts receivable, accounts payable, accrued expenses, borrowings under the Company's long-term debt, approximated their fair values at December 31, 2010 and 2011, due to the short-term nature of these instruments, and for the long-term debt, the interest rate the Company believes it could obtain for borrowings with similar terms. See discussion elsewhere in Note 2 for discussion on the determination of the fair value of the Company's long-term investments.

The Company has evaluated the estimated fair value of financial instruments using available market information and management's estimates. The use of different market assumptions and/or estimation methodologies could have a significant effect on the estimated fair value amounts. See Note 3 for further discussion.

Revenue Recognition

The Company primarily derives revenue from the sale of its on-demand application service to the Company's internet video platform, which provides customers the right to access the Company's hosted software

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

applications for uploading, managing, distributing, and monetizing their video assets. Revenue is derived from three primary sources: (1) the subscription of its technology and related support; (2) hosting and bandwidth services; and (3) professional services, which include initiation, set-up and customization services.

The Company recognizes revenues when all of the following conditions are satisfied: (1) there is persuasive evidence of an arrangement; (2) the service has been provided to the customer; (3) the collection of fees is probable; and (4) the amount of fees to be paid by the customer is fixed or determinable.

The Company's subscription arrangements provide customers the right to access its hosted software applications. Customers do not have the right to take possession of the Company's software during the hosting arrangement. Accordingly, the Company recognizes revenue in accordance with Accounting Standards Codification (ASC) 605, *Revenue Recognition*. Contracts for premium customers generally have a term of one year and are non-cancellable. These contracts generally provide the customer with a maximum annual level of usage, and provide the rate at which the customer must pay for actual usage above the annual allowable usage. For these services, the Company recognizes the annual fee ratably as revenue each month. Should a customer's usage of the Company's services exceed the annual allowable level, revenue is recognized for such excess in the period of the usage. Contracts for Express customers are generally month-to-month arrangements, have a maximum monthly level of usage and provide the rate at which the customer must pay for actual usage above the monthly allowable usage. The monthly Express subscription and support and usage fees are recognized as revenue during the period in which the related cash is collected.

Revenue recognition commences upon the later of when the application is placed in a production environment, or when all revenue recognition criteria have been met.

Professional services and other revenue sold on a stand-alone basis are recognized upon final delivery.

Deferred revenue includes amounts billed to customers for which revenue has not been recognized, and primarily consists of the unearned portion of annual software subscription and maintenance and support fees, and deferred initiation and professional service fees.

Revenue is presented net of any taxes collected from customers.

Multiple-Element Arrangements

The Company periodically enters into multi-element service arrangements that include platform subscription fees, support fees, initiation fees, and, in certain cases, other professional services. Prior to January 1, 2011, when the Company entered into such arrangements, each element was accounted for separately over its respective service period, provided that each element had value to the customer on a stand-alone basis, and there was objective and reliable evidence of fair value for the separate elements. If these criteria could not be objectively met or determined, the total value of the arrangement was generally recognized ratably as a single unit of accounting over the entire service period to the extent that all services had begun to be provided at the outset of the period. For multi-element service arrangements entered into through December 31, 2010, the Company was unable to separately account for the different elements because the Company did not have objective and reliable evidence of fair value for certain of its deliverables. Therefore, all revenue under these arrangements has been recognized ratably over the contract term.

Initiation fees and other professional services charged when services are first activated were recorded as deferred revenue, and recognized as revenue ratably over a term beginning upon go-live of the software application and extending through the contract term.

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

In October 2009, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2009-13, *Revenue Recognition (Topic 605), Multiple-Deliverable Revenue Arrangements—a Consensus of the FASB Emerging Issues Task Force,* which amended the previous multiple-element arrangements accounting guidance. Pursuant to the new guidance, objective and reliable evidence of fair value of the undelivered elements is no longer required in order to account for deliverables in a multiple-deliverable arrangement separately. Instead, arrangement consideration is allocated to deliverables based on their relative selling price. The new guidance also eliminates the use of the residual method.

Effective January 1, 2011, the Company adopted this new accounting guidance on a prospective basis. The Company applied the new accounting guidance to those multiple-element arrangements entered into, or materially modified, on or after January 1, 2011, which is the beginning of the Company's fiscal year. The adoption of this new accounting guidance did not have a material impact on the Company's financial condition, results of operations or cash flows.

Under the new accounting guidance, in order to treat deliverables in a multiple-deliverable arrangement as separate units of accounting, the deliverables must have stand-alone value upon delivery. If the deliverables have stand-alone value upon delivery, the Company accounts for each deliverable separately. Subscription services have stand-alone value as such services are often sold separately. In determining whether professional services have stand-alone value, the Company considers the following factors for each professional services agreement: availability of the services from other vendors, the nature of the professional services, the timing of when the professional services contract was signed in comparison to the subscription service start date, and the contractual dependence of the subscription service on the customer's satisfaction with the professional services work. To date, the Company has concluded that all of the professional services included in multiple-deliverable arrangements executed have stand-alone value, with the exception of initiation and activation fees.

Under the new accounting guidance, when multiple deliverables included in an arrangement are separated into different units of accounting, the arrangement consideration is allocated to the identified separate units based on a relative selling price hierarchy. The Company determines the relative selling price for a deliverable based on its vendor-specific objective evidence of fair value (VSOE), if available, or its best estimate of selling price (BESP), if VSOE is not available. The Company has determined that third-party evidence of selling price (TPE) is not a practical alternative due to differences in its service offerings compared to other parties and the availability of relevant third party pricing information. The amount of revenue allocated to delivered items is limited by contingent revenue, if any.

The Company has not established VSOE for its offerings due to lack of pricing consistency, the introduction of new services and other factors. Accordingly, the Company uses its BESP to determine the relative selling price. The Company determines BESP by considering its overall pricing objectives and market conditions. Significant pricing practices taken into consideration include the Company's discounting practices, the size and volume of the Company's transactions, the geographic area where services are sold, price lists, its go to market strategy, historic contractually stated prices and prior relationships and future subscription service sales with certain classes of customers.

The determination of BESP is made through consultation with and approval by the Company's management, taking into consideration the go-to-market strategy. As the Company's go-to-market strategies evolve, the Company may modify its pricing practices in the future, which could result in changes in selling prices, including both VSOE and BESP. The Company plans to analyze the selling prices used in its allocation of arrangement consideration, at a minimum, on an annual basis. Selling prices will be analyzed on a more frequent basis if a significant change in the Company's business necessitates a more timely analysis or if the Company experiences significant variances in its selling prices.

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

Cost of Revenue

Cost of revenue primarily consists of costs related to supporting and hosting the Company's product offerings and delivering professional services. These costs include salaries, benefits, incentive compensation and stock-based compensation expense related to the management of the Company's data center, customer support team and the Company's professional services staff, in addition to third-party service provider costs such as data center and networking expenses, allocated overhead, amortization of capitalized internal-use software development costs and depreciation expense.

Allowance for Doubtful Accounts

The Company offsets gross trade accounts receivable with an allowance for doubtful accounts. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable and is based upon historical loss patterns, the number of days that billings are past due, and an evaluation of the potential risk of loss associated with specific accounts. Provisions for allowances for doubtful accounts are recorded in general and administrative expense.

Below is a summary of the changes in the Company's allowance for doubtful accounts for the years ended December 31, 2009, 2010 and 2011:

	Balance at Beginning of Period	Provision (Reduction)	Write-offs	Balance at End of Period
Year ended December 31, 2009	$ 281	$ 119	$ —	$ 400
Year ended December 31, 2010	400	133	(235)	298
Year ended December 31, 2011	298	52	(84)	266

Off-Balance Sheet Risk and Concentration of Credit Risk

The Company has no significant off-balance sheet risk, such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, cash equivalents, investments and trade accounts receivable. The Company maintains its cash and cash equivalents principally with accredited financial institutions of high credit standing. Although the Company deposits its cash with multiple financial institutions, its deposits, at times, may exceed federally insured limits. The Company routinely assesses the creditworthiness of its customers. The Company generally has not experienced any material losses related to receivables from individual customers, or groups of customers. The Company does not require collateral. Due to these factors, no additional credit risk beyond amounts provided for collection losses is believed by management to be probable in the Company's accounts receivable.

For the years ended December 31, 2009, 2010 and 2011, no individual customer accounted for more than 10% of total revenue.

As of December 31, 2010 and 2011, no individual customer accounted for more than 10% of net accounts receivable.

Concentration of Other Risks

The Company is dependent on certain content delivery network providers who provide digital media delivery functionality enabling the Company's on-demand application service to function as intended for the

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

Company's customers and ultimate end-users. The disruption of these services could have a material adverse effect on the Company's business, financial position, and results of operations.

Software Development Costs

Costs incurred to develop software applications used in the Company's on-demand application services consist of (a) certain external direct costs of materials and services incurred in developing or obtaining internal-use computer software, and (b) payroll and payroll-related costs for employees who are directly associated with, and who devote time to, the project. These costs generally consist of internal labor during configuration, coding, and testing activities. Research and development costs incurred during the preliminary project stage or costs incurred for data conversion activities, training, maintenance and general and administrative or overhead costs are expensed as incurred. Capitalization begins when the preliminary project stage is complete, management, with the relevant authority, authorizes and commits to the funding of the software project, it is probable the project will be completed, the software will be used to perform the functions intended and certain functional and quality standards have been met. Qualified costs incurred during the operating stage of the Company's software applications relating to upgrades and enhancements are capitalized to the extent it is probable that they will result in added functionality, while costs that cannot be separated between maintenance of, and minor upgrades and enhancements to, internal-use software are expensed as incurred. These capitalized costs are amortized on a straight-line basis over the expected useful life of the software, which is estimated to be three years. Capitalized internal-use software development costs are classified as "Software" within "Property and Equipment, net" in the accompanying consolidated balance sheets.

During the years ended December 31, 2009, 2010 and 2011, the Company capitalized $694, $829 and $354, respectively, of internal-use software development costs. The Company recorded amortization expense associated with its capitalized internal-use software development costs of $601, $845 and $886 for the years ended December 31, 2009, 2010 and 2011, respectively.

In addition to the software development costs described above, the Company incurs costs to develop computer software to be licensed or otherwise marketed to customers. Costs incurred in the research, design and development of software for sale to others are charged to expense until technological feasibility is established. The Company capitalizes eligible computer software development costs upon achievement of technological feasibility subject to net realizable value considerations. Thereafter, software development costs are capitalized until the product is released and amortized to product cost of sales on a straight-line basis over the lesser of three years or the estimated economic lives of the respective products. The Company has determined that technological feasibility is established at the time a working model of software is completed. Because the Company believes its current process for developing software will be essentially completed concurrently with the establishment of technological feasibility, no costs have been capitalized to date.

Property and Equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the related asset. Upon retirement or sale, the cost of assets disposed of, and the related accumulated depreciation, are removed from the accounts, and any resulting gain or loss is included in the determination of net income or loss in the period of retirement.

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Property and equipment consists of the following:

	Estimated Useful Life (in Years)	December 31, 2010	December 31, 2011
Computer equipment	3	$ 5,541	$ 7,994
Software	3	4,136	5,920
Furniture and fixtures	5	343	346
Leasehold improvements	Shorter of lease term or the estimated useful life	447	551
		10,467	14,811
Less accumulated depreciation and amortization		5,761	8,732
		$ 4,706	$ 6,079

Depreciation and amortization expense, which includes amortization expense associated with capitalized internal-use software development costs, for the years ended December 31, 2009, 2010 and 2011 was $1,778, $2,199 and $2,992, respectively.

Expenditures for maintenance and repairs are charged to expense as incurred, whereas major improvements are capitalized as additions to property and equipment. The Company reviews its property and equipment whenever events or changes in circumstances indicate that the carrying value of certain assets might not be recoverable. In these instances, the Company recognizes an impairment loss when it is probable that the estimated cash flows are less than the carrying value of the asset.

Impairment of Long-Lived Assets

The Company reviews long-lived assets and certain identifiable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. During this review, the Company re-evaluates the significant assumptions used in determining the original cost and estimated lives of long-lived assets. Although the assumptions may vary from asset to asset, they generally include operating results, changes in the use of the asset, cash flows, and other indicators of value. Management then determines whether the remaining useful life continues to be appropriate, or whether there has been an impairment of long-lived assets based primarily upon whether expected future undiscounted cash flows are sufficient to support the assets' recovery. If impairment exists, the Company adjusts the carrying value of the asset to fair value, generally determined by a discounted cash flow analysis.

For the years ended December 31, 2009, 2010 and 2011, the Company has not identified any impairment of its long-lived assets.

Goodwill

Goodwill is not amortized, but is evaluated for impairment annually, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

In assessing the recoverability of goodwill, the Company must make assumptions regarding the estimated future cash flows, and other factors, to determine the fair value of these assets. If these estimates or their related assumptions change in the future, the Company may be required to record impairment charges against these assets in the reporting period in which the impairment is determined. The Company has determined, based on its organizational structure, that it had one reporting unit as of December 31, 2010 and 2011.

For goodwill, the impairment evaluation includes a comparison of the carrying value of the reporting unit to the fair value of the reporting unit. If the reporting unit's estimated fair value exceeds the reporting unit's carrying value, no impairment of goodwill exists. If the fair value of the reporting unit does not exceed its carrying value, then further analysis would be required to determine the amount of the impairment, if any.

The Company utilizes a two-phase process for impairment testing of goodwill. The first phase screens for impairment at the reporting unit level, while the second phase, if necessary, measures the impairment, if any, of goodwill at the reporting unit level. In performing the first phase of the impairment test, the Company estimates the fair value of its reporting unit, primarily utilizing the market approach. The market approach calculates the fair value based on the market values of comparable companies or comparable transactions. The Company believes its assumptions used to determine the fair value of its reporting unit are reasonable. If different assumptions were used, different estimates of fair value may result, and there could be the potential that an impairment charge could result. Actual operating results, and the related cash flows of the reporting unit, could differ from the estimated operating results and related cash flows.

Based on the results of the first step of the goodwill impairment test as of December 31, 2010, the Company determined that no impairment had taken place, as the carrying amount of the Company's reporting unit was less than the fair value and, therefore, the second step of the goodwill impairment test was not necessary.

For the year ended December 31, 2011, the Company elected to adopt ASU No. 2011-08, *Intangibles–Goodwill and Other (Topic 350) Testing Goodwill for Impairment*. Under ASU 2011-08, the Company has the option to assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount to determine whether further impairment testing is necessary. Based on the results of the qualitative review of goodwill performed as of December 31, 2011, the Company did not identify any indicators of impairment. As such, the two-phase process described above was not necessary.

The total carrying amount of goodwill as of December 31, 2010 and 2011 was $2,372. There were no changes in the carrying amount of goodwill during the years ended December 31, 2010 and 2011.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions, other events, and circumstances from non-owner sources. Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss), which includes certain changes in equity that are excluded from net income (loss). Specifically, cumulative foreign currency translation and unrealized gains and (losses) on investments are included in accumulated other comprehensive income (loss). Comprehensive loss has been disclosed in the accompanying consolidated statements of stockholders' (deficit) equity. Accumulated other comprehensive income consists entirely of cumulative foreign translation adjustments as of December 31, 2010 and 2011.

Net Loss per Share

The Company calculates basic and diluted net loss per common share by dividing the net loss attributable to common stockholders by the weighted-average number of common shares outstanding during the period. The Company has excluded (a) all unvested restricted shares that are subject to repurchase and (b) the Company's other potentially dilutive shares, which include redeemable convertible preferred stock, warrants for redeemable convertible preferred stock, and outstanding common stock options, from the weighted-average number of common shares outstanding as their inclusion in the computation for all periods would be anti-dilutive due to net losses. The Company's redeemable convertible preferred stock are participating securities as defined by

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

ASC 260-10, *Earnings Per Share*, but are excluded from the earnings per share calculation as they do not have an obligation to share in the Company's net losses.

A reconciliation of the number of shares used in the calculation of basic and diluted net loss per share is as follows:

	Year Ended December 31,		
	2009	2010	2011
	(in thousands, except per share data)		
Computation of basic and diluted net loss per share:			
Net loss applicable to common stockholders	$ (7,263)	$(22,971)	$(23,274)
Weighted-average shares of common stock outstanding	4,395	4,781	4,997
Less: weighted-average number of unvested restricted common shares outstanding	119	169	97
Weighted-average number of common shares used in calculating net loss per common share	4,276	4,612	4,900
Net loss per share applicable to common stockholders	$ (1.70)	$ (4.98)	$ (4.75)

The following potentially dilutive common shares have been excluded from the computation of weighted-average shares outstanding as of December 31, 2009, 2010 and 2011, as their effect would have been antidilutive:

	Year Ended December 31,		
	2009	2010	2011
	(in thousands)		
Redeemable convertible preferred stock	15,145	15,922	16,151
Options outstanding	2,826	3,596	4,092
Unvested restricted shares	119	169	97
Warrants	47	47	47

Unaudited Pro Forma Net Loss per Share

Pro forma basic and diluted net loss per share were computed to give effect to the conversion of all redeemable convertible preferred stock during the year ended December 31, 2011 into shares of the Company's common stock, as if such conversion had occurred as of the date of original issuance. The impact of the accretion of unpaid and undeclared dividends has been excluded from the determination of net loss attributable to common stockholders as the holders of redeemable convertible preferred stock are not entitled to receive undeclared dividends upon such conversion.

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

A reconciliation of the pro forma net loss per share is as follows:

	Year Ended December 31, 2011 (unaudited) (in thousands, except per share data)
Net loss attributable to common stockholders	$ (23,274)
Accretion of dividends on redeemable convertible preferred stock	5,639
Pro forma net loss attributable to common stockholders	$ (17,635)
Weighted-average number of common shares used in computing net loss per share-basic and diluted	4,900
Adjustment for assumed conversion of redeemable convertible preferred stock	16,151
Weighted-average number of common shares used in computing pro forma net loss per share-basic and diluted	21,051
Pro forma net loss per share-basic and diluted	$ (0.84)

Income Taxes

The Company accounts for income taxes in accordance with the asset and liability method. Under this method, deferred tax assets and liabilities are recognized based on temporary differences between the financial reporting and income tax bases of assets and liabilities using statutory rates. In addition, this method requires a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company accounts for uncertain tax positions recognized in the consolidated financial statements by prescribing a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company has no recorded liabilities for uncertain tax positions as of December 31, 2010 or 2011.

Stock-Based Compensation

At December 31, 2011, the Company had one stock-based compensation plan, the 2004 Amended and Restated Stock Option and Incentive Plan (the 2004 Plan), which is more fully described in Note 5.

In addition to the 2004 Plan, during March 2009, Brightcove KK adopted the Brightcove KK Stock Option Plan (the Brightcove KK Plan). Separate disclosure of the Brightcove KK Plan is provided in Note 7.

For stock options issued under the 2004 Plan, the fair value of each option grant is estimated on the date of grant, and an estimated forfeiture rate is used when calculating stock-based compensation expense for the period. For restricted stock awards issued under the 2004 Plan, the fair value of each grant is calculated based on the Company's stock price on the date of grant. For service-based options, the Company recognizes compensation expense on a straight-line basis over the requisite service period of the award.

Given the absence of an active market for the Company's common stock, the Board of Directors, the members of which the Company believes have extensive business, finance, and venture capital experience, were required to estimate the fair value of the Company's common stock at the time of each option grant. The Board considered numerous objective and subjective factors in determining the value of the Company's common stock

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Notes to Consolidated Financial Statements (continued)

at each option grant date, including the following factors: (1) prices for the Company's preferred stock, which the Company had sold to outside investors in arm's-length transactions, and the rights, preferences, and privileges of the Company's preferred stock and common stock; (2) valuations performed by an independent valuation specialist; (3) the Company's stage of development and revenue growth; (4) the fact that the option grants involved illiquid securities in a private company; and (5) the likelihood of achieving a liquidity event for the shares of common stock underlying the options, such as an initial public offering or sale of the Company, given prevailing market conditions. The Company believes this to have been a reasonable methodology based upon the Company's internal peer company analyses, and based on several arm's-length transactions involving the Company's preferred stock, supportive of the results produced by this valuation methodology. As the Company's common stock is not actively traded, the determination of fair value involves assumptions, judgments and estimates. If different assumptions were made, stock-based compensation expense, net loss and consolidated net loss per share could have been significantly different.

The fair value of each option grant issued under the 2004 Plan was estimated using the Black-Scholes option-pricing model that used the assumptions noted in the following table. As there was no public market for its common stock, the Company determined the volatility for options granted based on an analysis of reported data for a peer group of companies that issued options with substantially similar terms. The expected volatility of options granted has been determined using an average of the historical volatility measures of this peer group of companies. The expected life of options has been determined utilizing the "simplified method". The simplified method is based on the average of the vesting tranches and the contractual life of each grant. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of the stock options. The Company has not paid, and does not anticipate paying, cash dividends on its common stock; therefore, the expected dividend yield is assumed to be zero. In addition, based on an analysis of the historical actual forfeitures, the Company applied an estimated forfeiture rate of approximately 13% for both the years ended December 31, 2010 and 2011 in determining the expense recorded in the accompanying consolidated statements of operations.

The weighted-average assumptions utilized to determine such values are presented in the following table:

	Year Ended December 31,		
	2009	2010	2011
Risk-free interest rate	2.61%	2.87%	2.62%
Expected volatility	63%	61%	57%
Expected life (in years)	6.2	6.2	6.2
Expected dividend yield	—	—	—

The weighted-average fair value of options granted during the years ended December 31, 2009, 2010 and 2011, was $1.66, $6.34 and $5.28 per share, respectively.

As of December 31, 2011, there was $5,471 of total unrecognized stock-based compensation expense related to unvested employee stock options and restricted stock awards issued under the 2004 Plan that is expected to be recognized over a weighted-average period of 2.35 years. The total unrecognized stock-based compensation expense will be adjusted for future changes in estimated forfeitures.

The Company accounts for transactions in which services are received from non-employees in exchange for equity instruments based on the fair value of such services received, or of the equity instruments issued, whichever is more reliably measured. The Company determines the total stock-based compensation expense related to non-employee awards using the Black-Scholes option-pricing model. Additionally, in accordance with

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Notes to Consolidated Financial Statements (continued)

ASC 505, *Equity-Based Payments to Non-Employees,* the Company accounts for awards to non-employees prospectively, such that the fair value of the awards will be remeasured at each reporting date until the earlier of (a) the performance commitment date or (b) the date the services required under the arrangement have been completed.

The expense related to these non-employee grants was not significant for the year ended December 31, 2009. For the years ended December 31, 2010 and 2011, the Company recorded stock-based compensation expense for stock options granted to non-employees in the accompanying consolidated statements of operations, of $903 and $234, respectively.

For the years ended December 31, 2009, 2010 and 2011, total stock-based compensation expense, including expense related to stock-based awards granted under the Brightcove KK Plan, was $508, $3,315 and $4,197, respectively.

See Note 5 for a summary of the stock option activity under the 2004 Plan for the year ended December 31, 2011.

Advertising Costs

Advertising costs are charged to operations as incurred. The Company incurred advertising costs of $525, $1,082 and $3,630 for the years ended December 31, 2009, 2010 and 2011, respectively.

Recent Accounting Pronouncements

In May 2011, the FASB issued ASU No. 2011-04, Fair Value Measurement (Topic 820)—*Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (IFRSs)*. The amendments in this update apply to all reporting entities that are required or permitted to measure or disclose the fair value of an asset, a liability, or an instrument classified in a reporting entity's shareholders' equity in the financial statements. ASU No. 2011-04 does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards within U.S. GAAP or IFRS. ASU No. 2011-04 changes the wording used to describe many requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. Additionally, ASU No. 2011-04 clarifies the FASB's intent about the application of existing fair value measurements. The amendments in this update are to be applied prospectively. For public entities, the amendments are effective during interim and annual periods beginning after December 15, 2011. Early application by public entities is not permitted. The Company does not expect the provisions of ASU No. 2011-04 to have a material effect on its financial position, results of operations or cash flows.

In June 2011, the FASB issued ASU No. 2011-05, Comprehensive Income (Topic 220)—*Presentation of Comprehensive Income*, which requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of equity. The amendments in this Update should be applied retrospectively. For public entities, the amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. In December 2011, the FASB issued ASU 2011-12, Comprehensive Income (Topic 220)—*Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05*, deferring its requirement that companies present reclassification adjustments for each component of accumulated other comprehensive income in both net income and other comprehensive income on the face of the financial statements. Entities continue to be required to present amounts reclassified out of accumulated other comprehensive income on the face of the financial statements or to disclose those amounts in the notes to the financial statements. The requirement to present reclassification adjustments in interim periods was also deferred. However, entities are required to report a total for comprehensive income in condensed financial statements of interim periods in a single continuous statement or in two consecutive statements. The FASB is reconsidering the presentation requirements for reclassification adjustments. These amendments impact presentation and disclosure only, and therefore the ultimate adoption of this standard will not have an impact on the Company's consolidated financial position, results of operations or cash flows.

3. Fair Value Measurements

Fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants based on the highest and best use of the asset or liability. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The Company uses valuation techniques to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

- *Level 1:* Observable inputs, such as quoted prices for identical assets or liabilities in active markets;
- *Level 2:* Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly, such as quoted prices for similar assets or liabilities, or market-corroborated inputs; and
- *Level 3:* Unobservable inputs for which there is little or no market data which require the reporting entity to develop its own assumptions about how market participants would price the assets or liabilities.

The valuation techniques that may be used to measure fair value are as follows:

A. *Market approach*—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

B. *Income approach*—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts, including present value techniques, option-pricing models, and excess earnings method.

C. *Cost approach*—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

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Notes to Consolidated Financial Statements (continued)

The following tables set forth the Company’s financial instruments carried at fair value using the lowest level of input as of December 31, 2010 and 2011:

	December 31, 2010			
	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Money market funds	$ 14,711	$ —	$ —	$14,711
Restricted cash	554	—	—	554
Total cash equivalents and restricted cash	15,265	—	—	15,265
Auction rate securities(1)	—	—	2,878	2,878
Total long-term investments	—	—	2,878	2,878
Total assets	$ 15,265	$ —	$ 2,878	$18,143
Liabilities:				
Redeemable convertible preferred stock warrants	$ —	$ —	$ 285	$ 285
Total liabilities	$ —	$ —	$ 285	$ 285

	December 31, 2011			
	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Money market funds	$ 2,735	$ —	$ —	$ 2,735
Restricted cash	233	—	—	233
Total assets	$ 2,968	$ —	$ —	$ 2,968
Liabilities:				
Redeemable convertible preferred stock warrants	$ —	$ —	$ 424	$ 424
Total liabilities	$ —	$ —	$ 424	$ 424

(1) The Company’s investments in ARS are classified within Level 3 because there were no active markets for ARS, and the Company was unable to obtain independent valuations from market sources. Therefore, the ARS were primarily valued based on an income approach, using an estimate of future cash flows. For additional information regarding ARS, see Note 2.

The following table sets forth a summary of changes in the fair value of the Company’s Level 3 financial assets and liabilities for the year ended December 31, 2011:

	Level 3 Financial Assets
Balance at December 31, 2010	$ 2,593
Transfers in (out) of Level 3	—
Sales	(2,732)
Realized gains (losses)	(146)
Change in fair value of warrant	(139)
Unrealized gains (losses) on securities held at period end	—
Balance at December 31, 2011	$ (424)

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Notes to Consolidated Financial Statements (continued)

Realized gains and losses from sales of the Company's investments are included in "Other income (expense)", and unrealized gains and losses are included as a separate component of stockholders' equity unless the loss is determined to be other-than-temporary.

The Company measures eligible assets and liabilities at fair value, with changes in value recognized in earnings. Fair value treatment may be elected either upon initial recognition of an eligible asset or liability or, for an existing asset or liability, if an event triggers a new basis of accounting. The Company did not elect to remeasure any of its existing financial assets or liabilities, and did not elect the fair value option for any financial assets and liabilities transacted in the years ended December 31, 2010 or 2011.

4. Commitments and Contingencies

Operating Lease Commitments

The Company leases its facilities under non-cancelable operating leases. These operating leases expire at various dates through March 2022. Future minimum rental commitments under operating leases, and future minimum payments to be received from non-cancelable subleases, at December 31, 2011 are as follows:

	At December 31, 2011	
Year Ending December 31	Operating Lease Commitments	Sublease Income
2012	$ 4,219	$ (88)
2013	3,465	—
2014	3,258	—
2015	3,275	—
2016	3,205	—
2017 and thereafter	18,471	—
	$ 35,893	$ (88)

Certain amounts included in the table above relating to co-location leases for the Company's servers included usage based charges in addition to base rent.

On June 23, 2011, the Company entered into an arrangement to lease 82,184 square feet of additional office space over a 10 year period, with an estimated lease commencement date of April 1, 2012. The total lease commitment is $32,525 and such amount is included in the table above. The Company also has the option to renew the lease for two successive periods of five years each. In connection with the building lease, the Company entered into a letter of credit in the amount of $2,404, which is associated with both the new building lease and an existing building lease with the same landlord. The letter of credit reduces the borrowing availability under the Company's line of credit (Note 10).

Certain of the Company's operating leases include escalating payment amounts and lease incentives. The Company is recognizing the related rent expense on a straight-line basis over the term of the lease. The lease incentives are considered an inseparable part of the lease agreement, and are recognized as a reduction of rent expense on a straight-line basis over the term of the lease. As of December 31, 2010 and 2011, the Company had deferred rent and rent incentives of $102 and $150, respectively, of which $102 and $77, respectively, is classified as a long-term liability in the accompanying consolidated balance sheets. Rent expense for the years ended December 31, 2009, 2010 and 2011 was $1,584, $2,079 and $2,396, respectively. Income from sublease rental activity amounted to $158 for each of the years ended December 31, 2009, 2010 and 2011.

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Notes to Consolidated Financial Statements (continued)

In addition to the operating lease commitments discussed above, the Company also has contractual obligations as of December 31, 2011 for content delivery network and storage services, which require the Company to make minimum payments based on usage during the term of the arrangement. The remaining committed payments under this arrangement were $1,063 and $1,050 during the years ended December 31, 2012 and 2013, respectively.

Legal Matters

The Company, from time to time, is party to litigation arising in the ordinary course of its business. Management does not believe that the outcome of these claims will have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Company based on the status of proceedings at this time.

Guarantees and Indemnification Obligations

The Company typically enters into indemnification agreements in the ordinary course of business. Pursuant to these agreements, the Company indemnifies and agrees to reimburse the indemnified party for losses and costs incurred by the indemnified party, generally the Company's customers, in connection with patent, copyright, trade secret, or other intellectual property or personal right infringement claim by third parties with respect to the Company's technology. The term of these indemnification agreements is generally perpetual after execution of the agreement. Based on when customers first subscribe for the Company's service, the maximum potential amount of future payments the Company could be required to make under certain of these indemnification agreements is unlimited, however, more recently the Company has typically limited the maximum potential value of such potential future payments in relation to the value of the contract. Based on historical experience and information known as of December 31, 2011, the Company has not incurred any costs for the above guarantees and indemnities. The Company has received one request for indemnification from a customer in connection with a patent infringement suit brought against that customer by a third party. To date, the Company has not agreed that the requested indemnification is required by the Company's contract with the customer.

In certain circumstances, the Company warrants that its products and services will perform in all material respects in accordance with its standard published specification documentation in effect at the time of delivery of the licensed products and services to the customer for the warranty period of the product or service. To date, the Company has not incurred significant expense under its warranties and, as a result, the Company believes the estimated fair value of these agreements is immaterial.

5. Redeemable Convertible Preferred Stock and Stockholders' Deficit

As of December 31, 2011, the authorized capital stock of the Company was 68,000,000 shares of common stock, $0.001 par value per share, and 22,083,005 shares of preferred stock, $0.001 par value per share, of which 5,375,000 shares are designated as Series A redeemable convertible preferred stock (the Series A Preferred Stock), 7,000,000 shares are designated as Series B redeemable convertible preferred stock (the Series B Preferred Stock), 7,392,163 shares are designated as Series C redeemable convertible preferred stock (the Series C Preferred Stock), and 2,315,842 shares are designated as Series D redeemable convertible preferred stock (the Series D Preferred Stock) (collectively, the Preferred Stock).

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Notes to Consolidated Financial Statements (continued)

In March 2010, the Company issued 2,315,842 shares of Series D Preferred Stock, for $5.1817 per share, for aggregate gross proceeds of $12,000.

The Preferred Stock consists of the following:

	December 31, 2010	December 31, 2011
Series A redeemable convertible preferred stock: $0.001 par value; 5,375,000 shares authorized, issued and outstanding (minimum liquidation preference of $7,545 at December 31, 2011)	$ 7,206	$ 7,533
Series B redeemable convertible preferred stock: $0.001 par value; 7,000,000 shares authorized; 6,921,854 shares issued and outstanding (minimum liquidation preference of $23,328 at December 31, 2011)	22,254	23,291
Series C redeemable convertible preferred stock: $0.001 par value; 7,392,163 shares authorized, issued and outstanding (minimum liquidation preference of $77,210 at December 31, 2011)	72,581	76,400
Series D redeemable convertible preferred stock: $0.001 par value; 2,315,842 shares authorized, issued and outstanding (minimum liquidation preference of $13,272 at December 31, 2011)	12,363	13,127
Total redeemable convertible preferred stock	$114,404	$120,351

The Series A, Series B, Series C, and Series D Preferred Stock have the following characteristics:

Voting

The holders of the Preferred Stock are entitled to vote, together with the holders of common stock, on all matters submitted to stockholders for a vote. Each holder of Preferred Stock is entitled to the number of votes equal to the number of shares of common stock into which each preferred share is convertible at the time of such vote.

Dividends

The holders of the Preferred Stock are entitled to receive, when and as declared by the Board and out of funds legally available, cumulative dividends at the rate of 6% of the Original Issuance Price per share, or approximately $0.06 per share for Series A Preferred Stock, $0.15 per share for Series B Preferred Stock, $0.48 per share for Series C Preferred Stock, and $0.31 per share for Series D Preferred Stock, per annum, payable in preference and priority to any payment of any dividend on common stock. No dividends or other distributions will be made with respect to the common stock until all declared dividends on the Preferred Stock have been paid. Through December 31, 2011, no dividends have been declared or paid by the Company.

Liquidation Preference

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Company, the holders of the Preferred Stock shall be entitled to receive, on a preferred basis prior and in preference to any distribution to the holders of common stock, an amount of cash per share equal to $1.00, $2.47, $8.05, and $5.1817 per share of the Series A, Series B, Series C, and Series D Preferred Stock, respectively, (such amounts representing the Original Issue Price of the Series A, Series B, Series C, and Series D Preferred Stock, respectively), plus accrued and unpaid dividends for such series.

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Notes to Consolidated Financial Statements (continued)

After this initial payment has been made, the remaining assets available for distribution shall be distributed among the holders of the Series A Preferred Stock and common stock, pro rata, based on the number of shares held by each holder, treating all such shares of Series A Preferred Stock as if they had been converted to common stock immediately prior to such liquidation, dissolution, or winding up of the Company; provided, however, that (i) if the original preferred distribution for the holders of the Series A Preferred Stock exceeds two times the Series A Original Issuance price of $1.00 per share, the holders of the Series A shall instead be entitled to receive a per share amount equal to the greater of two times the original issuance price or the per share amount such holders would have received if all such holders had converted their shares of Series A Preferred Stock into common stock immediately prior to such liquidation, dissolution, or winding up of the Company, and (ii) that the holders of the Series B, Series C, and Series D Preferred Stock shall be entitled to receive a per share amount equal to the greater of the Original Issuance Price plus accrued and unpaid dividends or the per share amount such holders would have received if all such holders had converted their shares of Series B, Series C, and Series D Preferred Stock into common stock immediately prior to such liquidation, dissolution, or winding up of the Company.

If the funds available upon liquidation are insufficient to satisfy in full the Preferred Stock liquidation amount, the assets of the Company shall be shared ratably among the holders of the Preferred Stock based upon their respective amounts, which would be payable with respect to the shares held by them if amounts were paid in full.

A merger, acquisition, sale of voting control, or sale of substantially all of the assets of the Company in which the shareholders of the Company do not own a majority of the outstanding shares of the surviving corporation shall be deemed to be a liquidation.

Conversion

Each share of the Preferred Stock is convertible, at the option of the holder, into a number of shares of common stock as determined by dividing the respective Original Issue Price of the Preferred Stock by the conversion price in effect at the time. The initial conversion price of Series A, Series B, Series C, and Series D Preferred Stock is $1.30, $3.211, $10.465, and $11.93868 per share, respectively, and is subject to adjustment in accordance with anti-dilution provisions contained in the Company’s Certificate of Incorporation, and upon certain other events, such as stock splits or recapitalizations.

Conversion is automatic immediately upon the closing of a firm commitment underwritten public offering in which the public offering price equals or exceeds $13.47 per share (adjusted to reflect subsequent stock dividends, stock splits, or similar recapitalizations), and the net proceeds raised equal or exceed $30,000, or upon the agreement of a majority of the holders of the then outstanding shares of Preferred Stock, voting together as a single class. Upon conversion of the Preferred Stock into shares of the Company’s common stock, the holders of the Preferred Stock are not entitled to receive undeclared dividends.

The Company performs assessments of all terms and features of its redeemable convertible preferred stock in order to identify any potential embedded features that would require bifurcation or any beneficial conversion features. As part of this analysis, the Company assessed the economic characteristics and risks of its Preferred Stock, including conversion, liquidation and redemption features, as well as dividend and voting rights. Based on the Company’s determination that each series of its Preferred Stock is an “equity host,” the Company determined that the features of the convertible preferred stock are most closely associated with an equity host, and, although the Preferred Stock includes conversion features, such conversion features do not require bifurcation as a derivative liability.

At December 31, 2011, there were 4,134,610 shares, 5,324,495 shares, 5,686,270 shares, and 1,005,130 shares of the Company’s common stock, that have been reserved for conversion of the outstanding Series A, Series B, Series C, and Series D Preferred Stock, respectively.

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Notes to Consolidated Financial Statements (continued)

Redemption

Upon delivery of a notice in writing on or after the fifth anniversary of the original issue date (March 25, 2015) of the Series D Preferred Stock by the holders of a majority of the shares of the Preferred Stock then outstanding, requesting that all shares of Preferred Stock be redeemed, the Company will be required to redeem each share of Series A, Series B, Series C, and Series D Preferred Stock in three annual installments. The redemption price shall be equal to the respective Original Issue Price of the Preferred Stock, plus accrued and unpaid dividends.

If the Company does not have sufficient funds legally available to redeem all shares of Series A, Series B, Series C, and Series D Preferred Stock to be redeemed at a redemption date or upon liquidation, then the Company will redeem or liquidate such shares ratably to the extent possible, and will redeem the remaining shares as soon as sufficient funds are legally available.

As the Preferred Stock may become redeemable upon an event that is outside of the control of the Company, the redemption value of the Preferred Stock, including cumulative dividends, has been classified outside of permanent equity.

Common Stock

Common stockholders are entitled to one vote per share. Holders of common stock are entitled to receive dividends, when and if declared by the Board. The voting, dividend, and liquidation rights of the holders of the common stock are subject to, and qualified by, the rights of the holders of the Preferred Stock.

Stock Option and Incentive Plan

The Company's 2004 Plan provides for the issuance of incentive and non-qualified stock options, restricted stock, and other equity awards to employees, officers, directors, consultants, and advisors of the Company. Incentive stock options may only be granted to employees. The Board determines the period over which stock options become exercisable, which is typically four years, with 25% vesting after one year, and the balance vesting pro rata each month thereafter. The contractual term of the options is ten years. As of December 31, 2011, the total number of shares of common stock which may be issued under the 2004 Plan was 7,397,843. The number of options available for future grant was 124,703 at December 31, 2011.

In addition to the 2004 Plan, during March 2009, Brightcove KK adopted the Brightcove KK Plan. Separate disclosure of the Brightcove KK Plan is provided in Note 7.

The following table summarizes the stock option award activity under the 2004 Plan during the years ended December 31, 2010 and 2011:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value[2]
Outstanding at December 31, 2010	3,735,990	$ 2.48		
Granted	936,072	$ 8.63		
Exercised	(348,507)	$ 1.36		$ 3,108
Canceled	(336,849)	$ 5.64		
Outstanding at December 31, 2011	3,986,706	$ 3.76	7.51	$26,697
Exercisable at December 31, 2011	2,443,328	$ 2.10	6.86	$20,409
Vested and expected to vest at December 31, 2011[1]	3,512,717	$ 3.45	7.39	$24,582

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

(1) This represents the number of vested options as of December 31, 2011 plus the number of unvested options expected to vest as of December 31, 2011, based on the unvested options outstanding at December 31, 2011 and adjusted for the estimated forfeiture rate.
(2) The aggregate intrinsic value was calculated based on the positive difference between the estimated fair value of the Company's common stock on December 31, 2011 or the date of exercise, as appropriate, and the exercise price of the underlying options.

During December 2011, the Board approved options to purchase 171,712 shares of common stock to be granted effective upon the earlier of (a) the closing of this offering at an exercise price equal to the price to the public of the Company's initial public offering or (b) a date to be determined by the Board that is no later than December 15, 2012 at an exercise price determined by the Board on the date of such determination. Since the grant date of these options has not been determined, these options have been excluded from the table above.

In connection with the preparation of the Company's financial statements for the year ended December 31, 2010 and 2011, the Company reassessed the fair market value of its common stock for purposes of valuing certain stock-based awards. As a result, certain stock-based awards were granted with an exercise or purchase price below the reassessed estimated fair value of common stock on the date of grant.

During the year ended December 31, 2010, the Company granted 156,292 shares of restricted common stock to an employee under the 2004 Plan. Under the terms of the agreement, the Company has a repurchase provision whereby the Company has the right to repurchase any unvested shares when/if the employee terminates, at a price equal to the original exercise price. Accordingly, the Company recorded the payment received of $268 for the purchase of the restricted shares as a liability as of December 31, 2010. During the year ended December 31, 2011, the Company reclassified $159 of this amount to additional-paid-in-capital upon vesting of a portion of this award. The Company did not grant any shares of restricted common stock during the years ended December 31, 2009 or 2011.

The following table summarizes the restricted stock award activity of the 2004 Plan during the year ended December 31, 2011:

	Shares	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value(1)
Unvested by December 31, 2010	156,292	$ 9.31	
Granted	—	—	
Vested	(92,797)	$ 9.31	
Repurchased	—	—	
Unvested by December 31, 2011	63,495	$ 9.31	$ 555

(1) The aggregate intrinsic value was calculated based on the positive difference between the estimated fair value of the Company's common stock on December 31, 2011, and the purchase price on the date of grant.

During 2006, the Company granted 1,129,166 restricted stock awards as replacement awards for stock options which were canceled. The incremental stock compensation expense arising from the modification of existing stock options was $136, of which, $13 was recognized as expense in the year ended December 31, 2009. The expense recognized in the year ended December 31, 2010 was not significant. There is no further related unrecognized compensation expense subsequent to December 31, 2010. The vesting of these awards generally

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

are time-based over four years. Additionally, the purchase price of certain of the restricted stock awards issued during the year ended December 31, 2006 was set below fair market value. The recipients paid the Company cash in an amount equal to $0.001 per share, the par value of the underlying common stock. Based on the fair market value at issuance, the total compensation charge related to these awards was $396, of which $38 was recognized in the year ended December 31, 2009. The expense recognized in the year ended December 31, 2010 was not significant. There is no further related unrecognized compensation expense subsequent to December 31, 2010.

Warrants

In September 2006, the Company issued fully vested warrants to purchase an aggregate of 60,728 shares of Series B Preferred Stock, at a purchase price of $2.47 per share, to two lenders in connection with a line of credit agreement. The warrants are exercisable at any time up until the expiration date of August 31, 2016. The fair value of the warrants was recorded as a discount on the related debt, and was amortized to interest expense over the life of the debt. The debt was fully repaid in March 2007. The warrant liability is reported at fair value until the warrants are either exercised, or are exchanged for warrants to purchase common stock.

As of December 31, 2011, none of the shares exercisable under the warrants have been exercised. For the years ended December 31, 2009, 2010 and 2011, the Company recorded other expense of $14, $186 and $139, respectively, in the accompanying consolidated statements of operations, related to the increase in the fair value of the warrants, which was determined utilizing the Black-Scholes option-pricing model, during each respective year.

The following assumptions were used to determine the fair value:

	As of December 31,		
	2009	2010	2011
Expected term (in years)	6.7	5.7	4.7
Expected volatility	62%	59%	60%
Expected dividend yield	—%	—%	—%
Risk-free interest rate	2.81%	2.07%	0.90%
Fair market value of Series B Preferred Stock	$2.59	$6.30	$8.92
Exercise price of warrants	$2.47	$2.47	$2.47

Common Stock Reserved for Future Issuance

At December 31, 2011, the Company has reserved the following shares of common stock for future issuance:

	December 31, 2011
Common stock options outstanding	3,986,706
Shares available for issuance under the 2004 Plan	124,703
Common stock options awarded, not yet granted	171,712
Series A, B, C, and D Preferred Stock outstanding	16,150,505
Preferred Stock warrants	46,713
Total shares of authorized common stock reserved for future issuance	20,480,339

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Notes to Consolidated Financial Statements (continued)

6. Joint Venture

On May 30, 2008 the Company formed Brightcove KK, a wholly owned subsidiary of Brightcove Inc. On July 18, 2008, the Company entered into a joint venture agreement with J-Stream Inc (J-Stream), Dentsu, Inc. (Dentsu), CyberCommunications, Inc. and Transcosmos Investments & Business Development, Inc. (collectively, the minority stockholders). The minority stockholders invested cash of approximately $4.8 million in Brightcove KK such that their cumulative ownership interest in the entity was 37%, while Brightcove Inc. retained a 63% interest in the entity. As of December 31, 2010 and 2011, the Company owned a 63% interest in Brightcove KK.

The Company evaluated this agreement and determined the related joint venture qualified as a variable interest entity. The Company also assessed whether it was the primary beneficiary and should consolidate Brightcove KK. In assessing whether Brightcove KK should be consolidated by the Company, the Company considered a number of factors including its ownership percentage in Brightcove KK, its ability to direct the activities of Brightcove KK that most significantly affect economic performance and its obligation to absorb significant losses of, or receive significant benefits from, Brightcove KK.

The Company has maintained a 63% interest in Brightcove KK, has absorbed its proportionate ownership share of the losses of Brightcove KK from inception, and has an obligation to continue to absorb proportionate losses to the extent incurred by Brightcove KK in the future. For the years ended December 31, 2009, 2010 and 2011, the Company absorbed net losses (income) of $814, $477 and $(615), respectively. In addition, the Company controls a majority of the seats on the board of directors of Brightcove KK, which allows the Company to direct significant activities and influence decisions that affect the economic performance of Brightcove KK. The Company also considered the rights of the board members of the non-controlling interest holders in the joint venture and determined that the rights were generally considered protective in nature.

Given its assessment, the Company determined that it has a controlling interest and is the primary beneficiary of the entity. As such, the Company consolidates Brightcove KK for financial reporting purposes, and a non-controlling interest has been recorded for the third parties' interest in the net assets and operations of Brightcove KK to the extent of the non-controlling partners' individual investments. Additionally, the Company determined that it would also be required to consolidate Brightcove KK under the voting interest model given the Company controls a majority of the seats on the board of directors. The portion of net loss (income) attributable to non-controlling interests is presented as Net loss (income) attributable to non-controlling interests in consolidated subsidiary and represents the minority stockholders' proportionate ownership share of the losses (income) of Brightcove KK. There are no restrictions on the assets of Brightcove KK or on the settlement of its liabilities, with the exception of dividends paid to its stockholders, including Brightcove KK, which require approval of two-thirds of the board of directors of Brightcove KK. At December 31, 2010 and 2011 there was $1,751 and $3,301, respectively, of cash and cash equivalents held by Brightcove KK. All intercompany transactions have been eliminated. The Company re-evaluates the consolidation status when triggering events arise. As of December 31, 2011, no events had transpired which would require re-evaluation or deconsolidation.

Provided that the Company owns at least 40% of the outstanding voting shares of the joint venture, the Company has the right to appoint three of the five board members of the joint venture.

Under the terms of the joint venture agreement, the joint venture will terminate if the joint venture becomes a public company, or there is a change in control of the joint venture whereby the shares of capital stock of the joint venture outstanding immediately prior to the consummation thereof do not directly or indirectly continue to represent at least a majority by voting power of the surviving or succeeding entity immediately following such transaction.

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

Effective January 1, 2009, the Company adopted new authoritative guidance for non-controlling interests in the consolidated financial statements. The guidance requires that (a) the ownership interest in subsidiaries be clearly identified, labeled, and presented in the consolidated statement of financial position within equity, but separate from the parent's equity, (b) the amount of consolidated net income (loss) attributable to the parent and to the non-controlling interest be clearly identified and presented on the face of the consolidated statement of operations, and (c) changes in a parent's ownership interest, while the parent retains its controlling financial interest in its subsidiary, be accounted for consistently within equity. A parent's ownership interest in a subsidiary changes if the parent purchases additional ownership interest in its subsidiary, the parent sells some of its ownership interest, or the subsidiary issues additional ownership interests.

The non-controlling interest in Brightcove KK is reported as a separate component of stockholders' deficit in the accompanying consolidated financial statements. The portion of net loss attributable to non-controlling interests is presented as net loss attributable to non-controlling interests in consolidated subsidiary in the consolidated statements of operations, and the portion of other comprehensive loss of this subsidiary is presented in the consolidated statements of stockholders' deficit and comprehensive loss.

7. Brightcove KK Stock Option and Incentive Plan

The Brightcove KK Plan provides for the issuance of stock options to employees, officers, directors, and advisors of Brightcove KK and to employees of Brightcove Inc. Stock options granted under the Brightcove KK Plan are not exchangeable for either options or shares of the Company. There are 100,500,000 shares of Brightcove KK common stock reserved for issuance under the Brightcove KK Plan. At December 31, 2011, there were no shares available for grant under the Brightcove KK Plan.

For stock options issued under the Brightcove KK Plan, the fair value of each option grant is estimated on the date of grant, and an estimated forfeiture rate is used when calculating stock-based compensation expense for the period. Stock options typically vest over three years and the Company recognizes compensation expense on a straight-line basis over the requisite service period of the award.

The option price at the date of grant is determined by the Board of Directors of Brightcove KK. Due to the absence of an active market for Brightcove KK's common stock, the Board of Directors of Brightcove KK was required to determine the fair value of the common stock for consideration in setting exercise prices for the stock options granted and in valuing the options granted. In determining the fair value, the Board of Directors of Brightcove KK considered numerous objective and subjective factors in determining the value of the Company's common stock at each option grant date, including the following factors: (1) prices for Brightcove KK's common stock, which Brightcove KK had sold to third-party investors in arm's-length transactions, and the rights, preferences, and privileges of Brightcove KK's common stock; (2) Brightcove KK's stage of development and revenue growth; (3) that the option grants involved illiquid securities in a private company; and (4) the likelihood of achieving a liquidity event for the shares of common stock underlying the options, such as an initial public offering or sale of Brightcove KK, given prevailing market conditions. The Company believes this to have been a reasonable methodology. As Brightcove KK's common stock is not actively traded, the determination of fair value involves assumptions, judgments and estimates. If different assumptions were made, stock-based compensation expense, net loss and consolidated net loss per share could have been significantly different.

The fair value of each option grant issued under the stock-based compensation plan was estimated using the Black-Scholes option-pricing model that used the assumptions noted in the following table. As there was no public market for its common stock, the Company determined the volatility for options granted based on an analysis of reported data for a peer group of companies that issued options with substantially similar terms. The

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

expected volatility of options granted has been determined using an average of the historical volatility measures of this peer group of companies. The expected life of options has been determined utilizing the "simplified method". The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected life of the stock options. The Company has not paid, and does not anticipate paying, cash dividends on its common stock; therefore, the expected dividend yield is assumed to be zero. In addition, based on an analysis of the historical actual forfeitures, the Company applied an estimated forfeiture rate of 2.5% and 5.9% for the years ended December 31, 2010 and 2011, respectively, in determining the expense recorded in the accompanying consolidated statements of operations.

The weighted-average assumptions utilized to determine such values are presented in the following table:

	Year Ended December 31,		
	2009	2010	2011
Risk-free interest rate	2.3%	3.4%	2.8%
Expected volatility	64%	61%	57%
Expected life (in years)	6.25	6.25	6.25
Expected dividend yield	—	—	—

The following table summarizes the stock option award activity under the Brightcove KK Plan during the year ended December 31, 2011:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (In Years)
	(in thousands, except per share data)		
Outstanding at December 31, 2010	75,500	$ 0.01	
Granted	19,000	$ 0.01	
Exercised	—	—	
Canceled	(8,000)	—	
Outstanding at December 31, 2011	86,500	$ 0.01	7.57
Vested at December 31, 2011	44,880	$ 0.01	7.23
Vested and expected to vest at December 31, 2011 (1)	84,040	$ 0.01	7.56

(1) This represents the number of vested options as of December 31, 2011, plus the number of unvested options expected to vest as of December 31, 2011, based on the unvested options outstanding at December 31, 2011, adjusted for the estimated forfeiture rate.

The weighted-average fair value of options granted during each of the years ended December 31, 2009, 2010 and 2011 was $0.002 per share. No options were exercised in the years ended December 31, 2009, 2010 or 2011. At December 31, 2011, all options outstanding had exercise prices in excess of the fair value of Brightcove KK's common stock. Accordingly, the aggregate intrinsic value of the total outstanding options and total options vested and expected to vest was $0 as of December 31, 2011.

For the years ended December 31, 2010 and 2011, total stock-based compensation expense related to the Brightcove KK Plan was $72 and $60, respectively. As of December 31, 2011, there was approximately $50 of total unrecognized stock-based compensation, net of estimated forfeitures, related to unvested stock option grants, which is expected to be recognized over a weighted-average period of 0.57 years. The total unrecognized stock-based compensation cost will be adjusted for future changes in estimated forfeitures.

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

8. Related Party Transactions

Two of the minority interest holders in Brightcove KK, J-Stream and Dentsu, also act as product distributors for the Company in Japan. Additionally, one current and one former stockholder of the Company were also customers of Brightcove Inc. during the periods included in the financial statements.

As of December 31, 2010 and 2011, accounts receivable from related parties was:

	December 31, 2010	December 31, 2011
AOL	$410	N/A
The New York Times Company	34	$ 80
J-Stream	438	566
Dentsu	20	21
Total related party accounts receivable	$902	$667

For the years ended December 31, 2009, 2010 and 2011, the Company recorded revenue from related parties of:

	Year Ended December 31, 2009	2010	2011
AOL	$ 1,357	$ 1,439	N/A
The New York Times Company	545	462	$ 455
J-Stream	746	2,070	2,877
Dentsu	108	145	602
Total related party revenue	$ 2,756	$ 4,116	$ 3,934

During the year ended December 31, 2011, AOL was no longer a stockholder of the Company and therefore, is shown as "N/A" in the tables above. The New York Times Company has not owned 5% or more of the Company's issued and outstanding capital stock during the periods included in the financial statements. The Company believes that all related party transactions have been negotiated at arm's length.

9. Income Taxes

Loss before the provision for income taxes consists of the following:

	Year Ended December 31, 2009	2010	2011
Domestic	$(1,634)	$(16,682)	$(18,551)
Foreign	(1,134)	(1,043)	1,367
Total	$(2,768)	$(17,725)	$(17,184)

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

The provision for income taxes in the accompanying consolidated financial statements consists of the following:

	Year Ended December 31,		
	2009	2010	2011
Current provision:			
Federal	$ —	$ —	$ —
State	—	—	—
Foreign	55	56	496
Total current	55	56	496
Deferred benefit:			
Federal	—	—	—
State	—	—	—
Foreign	—	—	(406)
Total deferred	—	—	(406)
Total provision	$ 55	$ 56	$ 90

A reconciliation of the U.S. federal statutory rate to the Company's effective tax rate is as follows:

	Year Ended December 31,		
	2009	2010	2011
Tax at statutory rates	(34.0)%	(34.0)%	(34.0)%
State income taxes	(2.1)	(4.4)	(0.4)
Change in tax rate	15.4	—	5.5
Permanent differences	3.6	4.3	(2.7)
Foreign rate differential	11.5	2.0	0.2
Research and development credits	(12.7)	(1.5)	(4.5)
Non-controlling interest	5.9	—	—
Change in valuation allowance	14.4	33.9	36.4
Effective tax rate	2.0%	0.3%	0.5 %

The approximate income tax effect of each type of temporary difference and carryforward as of December 31, 2010 and 2011 is as follows:

	As of December 31,	
	2010	2011
Net operating loss carryforwards	$ 22,100	$ 26,841
Tax credit carryforwards	1,526	3,248
Stock-based compensation	402	896
Intangible assets	(561)	(331)
Fixed assets	70	(45)
Account receivable reserves	352	344
Accrued compensation	361	508
Capitalized research and development costs	204	144
Capitalized start-up costs	747	633
Other temporary differences	644	276
Deferred tax assets	25,845	32,514
Valuation allowance	(25,845)	(32,514)
Net deferred tax assets	$ —	$ —

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

In assessing the ability to realize the net deferred tax assets, management considers whether it is more likely than not that some portion or all of the net deferred tax assets will not be realized. Based upon the level of historical U.S. losses and future projections over the period in which the net deferred tax assets are deductible, at this time, management believes it is more likely than not that the Company will not realize the benefits of these deductible differences. The Company has provided a full valuation allowance against its net deferred tax assets as of December 31, 2010 and 2011. The increase in the valuation allowance from 2010 to 2011 principally relates to the current year taxable loss.

As of December 31, 2011, the Company had federal and state net operating losses of approximately $72.0 million and $37.6 million, respectively, which are available to offset future taxable income, if any, through 2031. The Company also had federal and state research and development tax credits of $2.3 million and $1.3 million, respectively, which expire in various amounts through 2031. The net operating loss and tax credit amounts are subject to annual limitations under Section 382 change of ownership rules under the U.S. Internal Revenue Code of 1986, as amended. The Company completed an assessment to determine whether there may have been a Section 382 ownership change and determined that it is more-likely-than-not that the Company's net operating and tax credit amounts as disclosed are not subject to any material Section 382 limitations.

On January 1, 2009, the Company adopted the provision for uncertain tax positions under ASC 740, *Income Taxes*. The adoption did not have an impact on the Company's retained earnings balance. At December 31, 2010 and 2011, the Company had no recorded liabilities for uncertain tax positions.

Interest and penalty charges, if any, related to uncertain tax positions would be classified as income tax expense in the accompanying consolidated statements of operations. At December 31, 2010 and 2011, the Company had no accrued interest or penalties related to uncertain tax positions.

The Company files income tax returns in the U.S. federal tax jurisdiction, various state and various foreign jurisdictions. Since the Company is in a loss carryforward position, the Company is generally subject to examination by the U.S. federal, state and local income tax authorities for all tax years in which a loss carryforward is available.

The Company's current intention is to reinvest the total amount of its unremitted earnings in the local international tax jurisdiction or to repatriate the earnings only when tax effective. As such, the Company has not provided for U.S. taxes on the unremitted earnings of its international subsidiaries.

10. Debt

On March 31, 2011, the Company entered into a loan and security agreement with a lender (the Line of Credit) providing for an asset based line of credit. Under the Line of Credit, the Company can borrow up to the lesser of (i) $8.0 million or (ii) 80% of the Company's Eligible Accounts Receivable, as defined. Borrowing availability under this facility changes based upon the amount of eligible receivables, concentration of eligible receivables and other factors. The Company has the ability to obtain letters of credit, which reduce the borrowing availability of the Line of Credit. Borrowings under the Line of Credit are secured by substantially all of the Company's assets. Outstanding amounts under the Line of Credit accrue interest at a rate equal to the Prime Rate (4% at December 31, 2011), as defined, plus 1.5%. Advances under the Line of Credit are repayable on March 31, 2013, and interest and related finance charges are payable monthly. The Line of Credit contains no financial covenants; however, it contains certain non-financial covenants. The Company was in compliance with these non-financial covenants as of December 31, 2011. During June 2011, the Company made a draw on this facility in the amount of $2.0 million, collateralized by the Company's eligible financed receivables and payable

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

on March 31, 2013. The Line of Credit requires the Company to maintain a lockbox with the lender and to require its customers to remit amounts owed to the Company directly to the lockbox. Amounts received related to financed receivables are applied against the outstanding balance of the Line of Credit. In December 2011, the Company repaid the $2.0 million balance under the Line of Credit.

On June 24, 2011, the Company entered into the First Loan Modification Agreement (the Modification Agreement) to the Line of Credit Agreement. Pursuant to the terms of the Modification Agreement, the Company was provided with a $5.0 million Term Advance, as well as the option to request up to two additional Term Advances not to exceed $2.0 million from the effective date of the Modification Agreement through December 31, 2011. Repayment on each term advance is in the form of 12 month interest only payments followed by 36 equal monthly payments of principal and interest. Interest on these term advances is payable monthly at the per annum rate of 7% above the Prime Rate (4% at December 31, 2011). A separate "Final Payment" in the amount of 2% of the loan amount, in addition to and not as substitution for the regular monthly payments will be due upon the term loan maturity date unless it is accelerated. The Company is amortizing this amount to interest expense using the effective interest method over the term to maturity of the Modification Agreement. The Modification Agreement contains no financial covenants; however, it contains certain non-financial covenants. The Company was in compliance with these non-financial covenants as of December 31, 2011. In June and December 2011, the Company drew Term Advances in the amounts of $5.0 million and $2.0 million, respectively, collateralized by all assets of the Company and payable over 48 months.

Future minimum principal payment obligations due under the Modification Agreement are as follows:

Year Ending December 31:	
2012	$ 833
2013	2,333
2014	2,334
2015	1,500
	$7,000

11. Accrued Expenses

Accrued expenses consist of the following:

	December 31,	
	2010	2011
Accrued payroll and related benefits	$2,483	$4,483
Accrued sales and other taxes	2,208	1,108
Accrued professional fees and outside contractors	512	779
Accrued content delivery	1,048	1,136
Accrued other liabilities	1,076	1,267
Total	$7,327	$8,773

12. Segment Information

Disclosure requirements about segments of an enterprise and related information establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information of those segments to be presented in interim financial reports issued to stockholders. Operating segments are identified as components of an enterprise about which separate discrete financial information is

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

available for evaluation by the chief operating decision-maker, or decision-making group, in making decisions on how to allocate resources and assess performance. The Company's chief decision maker is the chief executive officer. The Company and the chief decision maker view the Company's operations and manage its business as one operating segment.

Geographic Data

Total revenue to unaffiliated customers by geographic area, based on the location of the customer, was as follows:

	Year Ended December 31,		
	2009	2010	2011
Revenue:			
North America	$26,193	$29,582	$41,953
Europe	8,680	11,077	14,489
Japan	931	2,546	4,764
Asia Pacific	359	482	2,219
Other	24	29	138
Total revenue	$36,187	$43,716	$63,563

North America is comprised of revenue from the United States, Canada and Mexico. During the years ended December 31, 2009, 2010 and 2011, revenue from customers located in the United States was $25,212, $27,720 and $38,820, respectively. During the years ended December 31, 2009, 2010 and 2011, revenue from customers located in the United Kingdom was $4,422, $5,223, and $6,324, respectively, and is included in Europe for each of the respective periods in the table above. During the years ended December 31, 2009, 2010 and 2011, no other international country contributed more than 10% of the Company's total revenue.

As of December 31, 2010 and 2011, property and equipment at locations outside the U.S. was not material.

13. 401(k) Savings Plan

The Company maintains a defined contribution savings plan covering all eligible U.S. employees under Section 401(k) of the Internal Revenue Code. Company contributions to the plan may be made at the discretion of the Board. To date, the Company has not made any contributions to the plan.

14. Reverse Stock Split

On February 3, 2012, the Board approved, and on February 3, 2012, the stockholders of the Company approved, a 1-for-2.6 reverse stock split of the Company's common stock, which was effective on February 6, 2012. All share and per share data shown in the accompanying consolidated financial statements and related notes have been retroactively revised to reflect the reverse stock split.

15. Subsequent Events

On February 3, 2012, the Board approved the 2012 Stock Incentive Plan (the 2012 Plan), which was approved by the stockholders on February 3, 2012 and takes effect only upon the effectiveness of the Company's registration statement in connection with its initial public offering. The Company has reserved for issuance an aggregate of 1,824,703 shares of common stock under the 2012 Plan which is comprised of (i) the 124,703 shares reserved for issuance under the 2004 Plan and (ii) an additional 1,700,000 shares. The 2012 Plan provides that

Brightcove Inc.

Notes to Consolidated Financial Statements (continued)

the number of shares reserved and available for issuance under the plan will automatically increase each January 1, beginning in 2013, by 4% 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 Compensation Committee of the Board, subject to an overall overhang limit of 30%. This number is subject to adjustment in the event of a stock split, stock dividend or other change in the Company's capitalization. Upon adoption of the 2012 Plan, the Company decided that it will no longer issue any further shares under the 2004 Plan.

On February 3, 2012, the Board also approved for filing immediately prior to the effectiveness of the Company's registration statement in connection with its initial public offering, the tenth amendment and restatement of the Company's Certificate of Incorporation to increase the authorized number of shares of common stock from 68,000,000 to 100,000,000, to authorize 5,000,000 shares of undesignated preferred stock, par value $0.001 per share and to adjust the conversion procedures for the Preferred Stock such that conversion will automatically occur immediately upon the closing of a firm commitment underwritten public offering in which the public offering price equals or exceeds $10.00 per share (adjusted to reflect subsequent stock dividends, stock splits, or similar recapitalizations), and the net proceeds raised equal or exceed $30,000, or upon the agreement of a majority of the holders of the then outstanding shares of Preferred Stock, voting together as a single class. This tenth amended and restated Certificate of Incorporation was approved by the stockholders on February 3, 2012.

On January 26, 2012, the Board also approved, subject to the closing of the Company's initial public offering, the eleventh amendment and restatement of the Company's Certificate of Incorporation to eliminate all references to the previously designated Series Preferred Stock. This eleventh amended and restated Certificate of Incorporation was approved by the stockholders on February 3, 2012.

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BRIGHTCOVE PRODUCTS

brightcove VIDEOCLOUD

ONLINE VIDEO PLATFORM

Cloud service used by organizations to publish, distribute, monetize and measure video on websites, social networks, smartphones, tablets and connected TVs.

3,872 CUSTOMERS

3,872 customers in over 50 countries*

**Customers and countries as of 12/31/2011*

743 MILLION

Powering an average of approximately 743 million video streams per month in 2011; In December 2011 our customers used Video Cloud to reach over 177 million unique viewers

94,000

Powering video on over 94,000 unique websites in December 2011

brightcove APPCLOUD

CONTENT APP PLATFORM

A new cloud content service for efficiently building and operating native content apps for smartphones and tablets.

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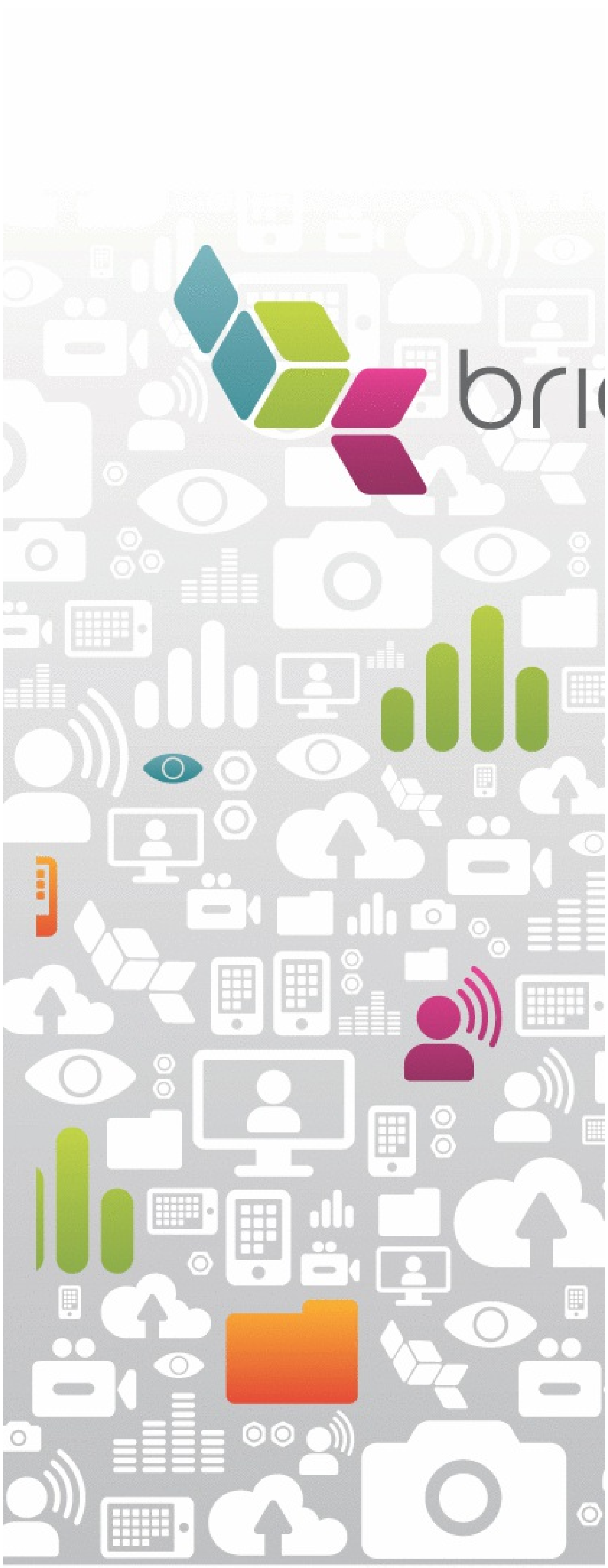

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the fees and expenses, other than underwriting discounts and commissions, payable in connection with the registration of the common stock hereunder. All amounts are estimates except the SEC registration fee.

SEC registration fee	$ 7,982
FINRA filing fee	5,500
NASDAQ Global Market listing fee	125,000
Blue Sky fees and expenses	2,000
Printing and engraving expenses	350,000
Legal fees and expenses	1,300,000
Accounting fees and expenses	1,700,000
Transfer agent and registrar fees and expenses	5,000
Miscellaneous	304,518
Total	$3,800,000

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law permits a corporation to include in its charter documents, and in agreements between the corporation and its directors and officers, provisions expanding the scope of indemnification beyond that specifically provided by the current law.

The registrant's amended and restated certificate of incorporation provides for the indemnification of directors to the fullest extent permissible under Delaware law.

The registrant's amended and restated bylaws, which will be effective upon the completion of this offering, provide for the indemnification of officers, directors and third parties acting on the registrant's behalf if such persons act in good faith and in a manner reasonably believed to be in and not opposed to the registrant's best interest, and, with respect to any criminal action or proceeding, such indemnified party had no reason to believe his or her conduct was unlawful.

The registrant intends to enter into indemnification agreements with each of its directors and executive officers, in addition to the indemnification provisions provided for in its charter documents, and the registrant intends to enter into indemnification agreements with any new directors and executive officers in the future.

The underwriting agreement (filed as Exhibit 1.1 hereto) will provide for indemnification by the underwriters, severally and not jointly, of the registrant, its directors and its officers who sign this registration statement with respect to losses arising from misstatements or omissions in the registration statement or prospectus with reference to information relating to such underwriters furnished to the registrant in writing by such underwriters expressly for use herein.

The registrant intends to purchase and maintain insurance on behalf of any person who is or was a director or officer against any loss arising from any claim asserted against him or her and incurred by him or her in that capacity, subject to certain exclusions and limits of the amount of coverage.

Item 15. Recent Sales of Unregistered Securities.

In the three years preceding the filing of this registration statement, the registrant has issued the following securities that were not registered under the Securities Act:

1. On March 25, 2010, we issued an aggregate of 2,315,842 shares of our series D preferred stock to existing investors for aggregate consideration of approximately $12 million.

2. Since January 1, 2009, holders of stock options exercised options to purchase an aggregate of 875,349 shares of our common stock at exercise prices ranging from $0.13 to $9.31 per share under the 2004 Plan.

3. Since January 1, 2009, we have awarded an aggregate of 156,292 shares of our restricted stock at a purchase price of $1.72 per share under the 2004 Plan.

No underwriters were used in the foregoing transactions. The sales of the above securities were deemed to be 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.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits:

The exhibits to the registration statement are listed in the Exhibit Index to this registration statement and are incorporated herein by reference.

(b) Consolidated Financial Statements Schedules:

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, 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 Securities Act of 1933, as amended, 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 Securities Act of 1933, as amended, and will be governed by the final adjudication of such issue.

The registrant hereby undertakes that:

(a) The registrant will provide to the underwriters at the closing as 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.

(b) For purposes of determining any liability under the Securities Act of 1933, as amended, the information omitted from a form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the 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.

(c) 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, the registrant has duly caused this Amendment No. 5 to the registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Cambridge, Massachusetts on February 6, 2012.

BRIGHTCOVE INC.
By: /s/ Jeremy Allaire
Jeremy Allaire
Chief Executive Officer and Chairman

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 5 to the registration statement has been signed by the following persons in the capacities and on the dates indicated.

Name	Title	Date
/s/ Jeremy Allaire Jeremy Allaire	Chief Executive Officer and Chairman *(Principal Executive Officer)*	February 6, 2012
/s/ Christopher Menard Christopher Menard	Chief Financial Officer *(Principal Financial and Accounting Officer)*	February 6, 2012
* David Mendels	Director, President and Chief Operating Officer	February 6, 2012
* Deborah Besemer	Director	February 6, 2012
* James Breyer	Director	February 6, 2012
* Scott Kurnit	Director	February 6, 2012
* Elizabeth Nelson	Director	February 6, 2012
* David Orfao	Director	February 6, 2012

*By: /s/ Andrew Feinberg
Andrew Feinberg
Attorney-in-Fact

EXHIBIT INDEX

Exhibit No.	Exhibit Index
1.1	Form of Underwriting Agreement
3.1	Form of Amended and Restated Certificate of Incorporation of the Registrant (to be effective upon pricing of the offering)
3.2	Form of Amended and Restated Certificate of Incorporation of the Registrant (to be effective upon completion of the offering)
3.3	Form of Amended and Restated Bylaws of the Registrant (to be effective upon completion of the offering)
4.1	Specimen Common Stock Certificate
4.2**	Second Amended and Restated Investor Rights Agreement dated January 17, 2007, by and among the Registrant, the investors listed therein, and Jeremy Allaire, as amended
4.3**	Warrant to Purchase Stock dated August 31, 2006 issued by the Registrant to GE Capital CFE, Inc.
4.4**	Warrant to Purchase Stock dated August 31, 2006 issued by the Registrant to TriplePoint Capital LLC
5.1	Opinion of Goodwin Procter LLP
10.1	Form of Indemnification Agreement, to be entered into between the Registrant and its directors and executive officers
10.2†**	Amended and Restated 2004 Stock Option and Incentive Plan of the Registrant, together with forms of award agreement
10.3†	2012 Stock Incentive Plan of the Registrant
10.4†	Form of Incentive Stock Option Agreement under the 2012 Stock Incentive Plan
10.5†	Form of Non-Qualified Stock Option Agreement for Company Employees under the 2012 Stock Incentive Plan
10.6**	Lease dated February 28, 2007 between Mortimer B. Zuckerman, Edward H. Linde and Michael A. Cantalupa, as Trustees of One Cambridge Center Trust and Brightcove Inc., as amended
10.7**	Lease dated June 15, 2011 between BP Russia Wharf LLC and Brightcove Inc.
10.8**	Loan and Security Agreement dated March 30, 2011 between Silicon Valley Bank and Brightcove Inc., as amended
10.9†**	Employment Agreement dated August 8, 2011 between the Registrant and Jeremy Allaire
10.10†**	Employment Agreement dated August 8, 2011 between the Registrant and David Mendels
10.11†**	Employment Agreement dated August 8, 2011 between the Registrant and Edward Godin
10.12†**	Employment Agreement dated August 8, 2011 between the Registrant and Christopher Menard
10.13†**	Employment Agreement dated August 8, 2011 between the Registrant and Andrew Feinberg
10.14†	Non-Employee Director Compensation Policy
10.15†	Senior Executive Incentive Bonus Plan
10.16†	Form of Restricted Stock Award Agreement under the 2012 Stock Incentive Plan
10.17†	Form of Restricted Stock Unit Award Agreement for Company Employees under the 2012 Stock Incentive Plan
10.18†	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors under the 2012 Stock Incentive Plan
10.19†	Form of Non-Qualified Stock Option Agreement for Non-Employee Directors under the 2012 Stock Incentive Plan
16.1	Letter from PricewaterhouseCoopers LLP regarding change in certifying accountant
21.1**	Subsidiaries of the Registrant
23.1	Consent of Ernst & Young LLP
23.2	Consent of PricewaterhouseCoopers LLP
23.3	Consent of Goodwin Procter LLP (included in Exhibit 5.1)
24.1**	Power of Attorney (included on signature page)

*	To be included by amendment
†	Indicates a management contract or any compensatory plan, contract or arrangement.
**	Previously filed.

EXHIBIT 1.1

[•] Shares

BRIGHTCOVE INC.

Common Stock, $0.001 Par Value

UNDERWRITING AGREEMENT

[•], 2012

[•], 2012

Morgan Stanley & Co. LLC
Stifel, Nicolaus & Company, Incorporated
RBC Capital Markets, LLC
Pacific Crest Securities LLC
Raymond James & Associates, Inc.

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

Ladies and Gentlemen:

Brightcove Inc., a Delaware corporation (the "**Company**"), proposes to issue and sell to the several Underwriters named in Schedule I hereto (the "**Underwriters**") [•] shares of its common stock, $0.001 par value per share (the "**Firm Shares**").

The Company also proposes to issue and sell to the several Underwriters not more than an additional [•] shares of its common stock, $0.001 par value per share (the "**Additional Shares**"), if and to the extent that you, as managers of the offering (the "**Managers**"), shall have determined to exercise, on behalf of the Underwriters, the right to purchase such shares of common stock granted to the Underwriters in Section 2 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "**Shares.**" The shares of common stock, $0.001 par value per share of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the "**Common Stock.**"

The Company has filed with the Securities and Exchange Commission (the "**Commission**") a registration statement, including a prospectus, relating to the Shares. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the "**Securities Act**"), is hereinafter referred to as the "**Registration Statement**"; the prospectus in the form first used to confirm sales of Shares (or in the form first made available to the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act) is hereinafter referred to as the "**Prospectus.**" If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (the "**Rule 462 Registration Statement**"), then any reference herein to the term "**Registration Statement**" shall be deemed to include such Rule 462 Registration Statement.

For purposes of this Underwriting Agreement (the "**Agreement**"), "**free writing prospectus**" has the meaning set forth in Rule 405 under the Securities Act, "**Time of Sale Prospectus**" means the preliminary prospectus together with the documents and pricing information, if any, set forth in Schedule II hereto, and "**broadly available road show**" means a "bona fide electronic road show" as defined in Rule 433(h)(5) under the Securities Act that has been made available without restriction to any person. As used herein, the terms "Registration Statement," "preliminary prospectus," "Time of Sale Prospectus" and "Prospectus" shall include the documents, if any, incorporated by reference therein as of the date hereof.

Morgan Stanley & Co. LLC ("**Morgan Stanley**") has agreed to reserve a portion of the Shares to be purchased by it under this Agreement for sale to the Company's directors, officers, employees and business associates and other parties related to the Company (collectively, "**Participants**"), as set forth in the Prospectus under the heading "Underwriters" (the "**Directed Share Program**"). The Shares to be sold by Morgan Stanley and its affiliates pursuant to the Directed Share Program are referred to hereinafter as the "**Directed Shares**". Any Directed Shares not orally confirmed for purchase by any Participant by the end of the business day on which this Agreement is executed will be offered to the public by the Underwriters as set forth in the Prospectus.

1. *Representations and Warranties*. The Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective, no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose are pending before or, to the knowledge of the Company, threatened by the Commission.

(b) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not, as of the date of such amendment or supplement, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (iii) the Time of Sale Prospectus does not, and at the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers and at the Closing Date (as defined in Section 4), the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iv) each broadly available road show, if any, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (v) the Prospectus does not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(c) The Company is not an "ineligible issuer" in connection with the offering pursuant to Rules 164, 405 and 433 under the Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing prospectuses, if any, identified in Schedule II hereto, and electronic road shows, if any, each furnished to you before first use, the Company has not prepared, used or referred to, and will not, without your prior consent, prepare, use or refer to, any free writing prospectus.

(d) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the state of Delaware, has the corporate power and authority to own or lease its property and to conduct its business as described in the Time of Sale Prospectus and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except where the failure to be so qualified or be in good standing would not, individually or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(e) Each subsidiary of the Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the jurisdiction of its incorporation, has the corporate power and authority to own its property and to conduct its business as described in the Time of Sale Prospectus and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the Company and its subsidiaries, taken as a whole; all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly by the Company, free and clear of all liens, encumbrances, equities or claims, except to the extent such interests, claims, liens or encumbrances would not have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(f) This Agreement has been duly authorized, executed and delivered by the Company.

(g) The authorized capital stock of the Company conforms as to legal matters to the description thereof contained in each of the Time of Sale Prospectus and the Prospectus.

(h) The shares of Common Stock outstanding prior to the issuance of the Shares have been duly authorized and are validly issued, fully paid and non-assessable.

(i) The Shares have been duly authorized and, when issued and delivered and paid for in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of such Shares will not be subject to any preemptive or similar rights.

(j) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene any provision of applicable law or the certificate of incorporation or by-laws of the Company or any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, and no consent, approval, authorization or order of, or qualification with, any governmental body or agency is required for the performance by the Company of its obligations under this Agreement, except such as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares, or except where the failure to obtain such consent, approval, authorization or order would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(k) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus and the Prospectus.

(l) There are no legal or governmental proceedings pending or, to the knowledge of the Company, threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject (i) other than proceedings accurately described in all material respects in the Time of Sale Prospectus and the Prospectus and proceedings that would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated by the Time of Sale Prospectus and the Prospectus or (ii) that are required to be described in the Registration Statement or the Prospectus and are not so described in all material respects; and there are no transactions or relationships involving the Company, or statutes, regulations, contracts or other documents that are required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement that are not described in all material respects or filed as required.

(m) Each preliminary prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(n) The Company is not, and after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Prospectus will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(o) The Company and its subsidiaries (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(p) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(q) Except as described in the Time of Sale Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement.

(r) Neither the Company nor any of its subsidiaries or controlled affiliates, nor any director, officer, or employee, nor, to the Company's knowledge, any agent or representative of the Company or of any of its subsidiaries or controlled affiliates acting on behalf of the Company or any of its subsidiaries or controlled affiliates, has taken any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any "government official" (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) to improperly influence official action or secure an improper advantage of the Company that would constitute a violation of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA") or any other applicable anti-corruption laws; and the Company and its subsidiaries and controlled affiliates have conducted their businesses in compliance with the FCPA and other applicable anti-corruption laws and have instituted and maintain policies and procedures designed to promote and achieve compliance with the FCPA and other applicable anti-corruption laws.

(s) The operations of the Company and its subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(t) (i) Neither the Company nor any of its subsidiaries, nor any director, officer, nor, to the Company's knowledge, any employee, agent, affiliate or representative of the Company or any of its subsidiaries, is an individual or entity ("**Person**") that is, or is owned or controlled by a Person that is:

(A) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"), the United Nations Security Council ("**UNSC**"), the European Union ("**EU**"), Her Majesty's Treasury ("**HMT**"), or other relevant sanctions authority (collectively, "**Sanctions**"), nor

(B) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Burma/Myanmar, Cuba, Iran, Libya, North Korea, Sudan and Syria).

(ii) The Company will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(A) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

(B) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) For the past 5 years, the Company and its subsidiaries have not knowingly engaged in, are not now knowingly engaged in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(u) Subsequent to the respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) the Company and its subsidiaries have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction; (ii) the Company has not purchased any of its outstanding capital stock, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (iii) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company and its subsidiaries, except in each case as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, respectively.

(v) The Company and its subsidiaries do not own any real property. The Company and its subsidiaries have good and marketable title to all personal property owned by them which is material to the business of the Company and its subsidiaries, taken as a whole, in each case, free and clear of all liens, encumbrances and defects except such as are described in the Time of Sale Prospectus and the Prospectus or such as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and, to the Company's knowledge, enforceable leases with such exceptions as are not material and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries, in each case except as described in the Time of Sale Prospectus and the Prospectus.

(w) The Company and its subsidiaries own or possess, or can acquire on commercially reasonable terms, all patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names currently employed by them in connection with the business now operated by them, except where the failure to own, possess or acquire any of the foregoing, individually or in the aggregate, would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, and neither the Company nor any of its subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any of the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(x) No material labor dispute with the employees of the Company or any of its subsidiaries exists, except as described in the Time of Sale Prospectus and the Prospectus, or, to the knowledge of the Company, is imminent; and the Company is not aware of any existing, threatened or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that would have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(y) The Company and its subsidiaries, taken as a whole, are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; neither the Company nor any of its subsidiaries has been refused any insurance coverage sought or applied for; and neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business.

(z) The Company and its subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, except where the failure to obtain such certificates, authorizations or permits, individually or in the aggregate, would have a material adverse effect on the Company and its subsidiaries, taken as a whole, and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company and its subsidiaries, taken as a whole, except as described in the Time of Sale Prospectus and the Prospectus.

(aa) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. generally accepted accounting principles ("**GAAP**") and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Time of Sale Prospectus and the Prospectus, since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(bb) Except as described in the Time of Sale Prospectus and the Prospectus, the Company has not sold, issued or distributed any shares of Common Stock during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(cc) The Registration Statement, the Prospectus, the Time of Sale Prospectus and any preliminary prospectus comply, and any amendments or supplements thereto will comply, with any applicable laws or regulations of foreign jurisdictions in which the Prospectus, the Time of Sale Prospectus or any preliminary prospectus, as amended or supplemented, if applicable, are distributed in connection with the Directed Share Program.

(dd) No consent, approval, authorization or order of, or qualification with, any governmental body or agency, other than those obtained, is required in connection with the offering of the Directed Shares in any jurisdiction where the Directed Shares are being offered.

(ee) The Company has not offered, or caused Morgan Stanley or any Morgan Stanley Entity (as defined in Section 12) to offer, Shares to any person pursuant to the Directed Share Program with the specific intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer's or supplier's level or type of business with the Company, or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products.

(ff) The Company and each of its subsidiaries have filed all federal, state, local and foreign tax returns required to be filed through the date of this Agreement or have requested extensions thereof (except where the failure to file would not, individually or in the aggregate, have a material adverse effect) and have paid all taxes required to be paid thereon (except for cases in which the failure to file or pay would not have a material adverse effect, or, except as currently being contested in good faith and for which reserves required by U.S. GAAP have been created in the financial statements of the Company), and no tax deficiency has been determined adversely to the Company or any of its subsidiaries which has had (nor does the Company nor any of its subsidiaries have any notice or knowledge of any tax deficiency which could reasonably be expected to be determined adversely to the Company or its subsidiaries and which could reasonably be expected to have) a material adverse effect.

(gg) Ernst & Young LLP, which has expressed its opinion with respect to the financial statements of the Company filed with the Commission as a part of the Registration Statement and included in each of the Time of Sale Prospectus and the Prospectus is and to which its consent applies, and PricewaterhouseCoopers LLP, which has expressed its opinion with respect to the financial statements of the Company filed with the Commission as a part of the Registration Statement and included in each of the Time of Sale Prospectus and the Prospectus and to which its consent applies was for the audit engagement periods in respect of which such firm was engaged as an auditor for the Company, an independent registered public accounting firm as required by the Securities Act.

(hh) The Company and its subsidiaries have established and maintain disclosure controls and procedures (as defined in Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Such disclosure controls and procedures are designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to the Company's principal executive officer and its principal financial officer by others at the Company, particularly during the periods in which the periodic reports required under the Exchange Act are being prepared. The Company has no reason to believe that at such time as shall be required by the Exchange Act and the rules promulgated thereunder, such disclosure controls and procedures will not be effective and timely in alerting the Company's principal executive officer and principal financial officer to material information required to be included in the Company's periodic reports required under the Exchange Act.

(ii) The Company has taken all necessary actions to ensure that, upon the effectiveness of the Registration Statement, it will be in compliance with all provisions of the Sarbanes-Oxley Act and all rules and regulations promulgated thereunder or implementing the provisions thereof which the Company is required to comply with as of the effectiveness of the Registration Statement, and is actively taking steps to ensure that it will be in compliance with other provisions of the Sarbanes-Oxley Act which will become applicable to the Company at all times after the effectiveness of the Registration Statement.

(jj) There are no transactions between the Company and any holder of 5% or more of the Common Stock, any director, any director nominee or any executive officer, or members of such individuals' immediate families, or any enterprise in which a substantial interest in the voting power is owned, directly or indirectly, by any of such individuals that are required to be disclosed in the Time of Sale Prospectus and the Prospectus other than those described in the Time of Sale Prospectus and the Prospectus.

(kk) The financial statements of the Company filed with the Commission as a part of the Registration Statement and included in each of the Time of Sale Prospectus and the Prospectus present fairly in all material respects the financial position of the Company as of the dates indicated and the results of its operations and cash flows for the periods specified. Such financial statements have been prepared in conformity with GAAP applied on a consistent basis throughout the periods involved.

(ll) The statistical, industry-related and market-related data included in the Time of Sale Prospectus and the Prospectus are based on or derived from sources which the Company reasonably and in good faith believes are reliable and accurate, and such data is consistent with the sources from which they are derived.

(mm) The Company has not taken and will not take, directly or indirectly, any action designed to or which has constituted or which might reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares.

(nn) The Shares have been approved for listing, subject to notice of issuance, on the NASDAQ Global Market.

(oo) With respect to the stock options granted pursuant to the stock-based compensation plans of the Company and its subsidiaries (the "**Company Stock Plans**"), (i) each grant of a stock option was duly authorized no later than the date on which the grant of such stock option was by its terms to be effective by all necessary corporate action, including, as applicable, approval by the board of directors of the Company (or a duly constituted and authorized committee thereof) and any required stockholder approval by the necessary number of votes or written consents, and the award agreement governing such grant (if any) was duly executed and delivered by each party thereto, and (ii) each such grant was made in accordance with the terms of the Company Stock Plans, and all applicable laws and regulatory rules or requirements, including all applicable federal securities laws.

2. *Agreements to Sell and Purchase.* The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective numbers of Firm Shares set forth in Schedule I hereto opposite its name at $[•] a share (the "**Purchase Price**").

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the Underwriters the Additional Shares, and the Underwriters shall have the right to purchase, severally and not jointly, up to [•] Additional Shares at the Purchase Price. You may exercise this right on behalf of the Underwriters in whole or from time to time in part by giving written notice not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least one business day after the written notice is given and may not be earlier than the closing date for the Firm Shares nor later than ten business days after the date of such notice. Additional Shares may be purchased as provided in Section 4 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Additional Shares are to be purchased (an "**Option Closing Date**"), each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as you may determine) that bears the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares (subject to such adjustments to eliminate fractional shares as you may determine).

The Company hereby agrees with each Underwriter that, without the prior written consent of Morgan Stanley on behalf of the Underwriters, it will not, during the period ending 180 days after the date of the Prospectus, (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise or (3) file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock.

The restrictions contained in the preceding paragraph shall not apply to (a) the Shares to be sold hereunder, (b) the issuance by the Company of shares of Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and disclosed in the Time of Sale Prospectus, (c) the establishment of a trading plan pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for the transfer of shares of Common Stock, provided that such plan does not provide for the transfer of Common Stock during the 180-day restricted period and no public announcement or filing under the Exchange Act regarding the establishment of such plan shall be required of or voluntarily made by or on behalf of the undersigned or the Company, (d) the issuance by the Company of shares or options to purchase shares of Common Stock pursuant to the Company's equity plans; *provided* that such equity plans are in effect as of the date hereof and disclosed in the Time of Sale Prospectus and that any recipients thereof enter into lock-up agreements with the Underwriters in the form of Exhibit A hereto with respect to the remaining 180-day restricted period or any extension thereof, (e) the filing by the Company of a registration statement on Form S-8 or a successor form thereto relating to the offering of securities in accordance with the terms of a plan in effect on the date hereof and described in the Time of Sale Prospectus, or (f) the entry into an agreement providing for the issuance by the Company of shares of Common Stock or any security convertible into or exercisable for shares of Common Stock in connection with the acquisition by the Company or any of its subsidiaries of the securities, business, property or other assets of another person or entity or pursuant to an employee benefit plan assumed by the Company in connection with such acquisition, and the issuance of any such securities pursuant to any such agreement; *provided* that in the case of clause (f), the aggregate number of shares of Common Stock that the Company may sell or issue or agree to sell or issue pursuant to clause (f) shall not exceed 5% of the total number of shares of the Company's Common Stock issued and outstanding (on an as-converted and as-exercised basis) immediately following the completion of the transactions contemplated by this Agreement; and *provided* further that each recipient of shares of Common Stock or securities convertible into or exercisable for Common Stock pursuant to this clause (f) shall execute a lock-up agreement substantially in the form of Exhibit A hereto. Notwithstanding the foregoing, if (1) during the last 17 days of the 180-day restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs; or (2) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. The Company shall promptly notify Morgan Stanley of any earnings release, news or event that may give rise to an extension of the initial 180-day restricted period.

If Morgan Stanley & Co. LLC, in its sole discretion, agrees to release or waive the restrictions set forth in a lock-up letter described in Section 5(f) hereof for an officer or director of the Company and provides the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit C hereto through a major news service at least two business days before the effective date of the release or waiver.

3. *Terms of Public Offering*. The Company is advised by you that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in your judgment is advisable. The Company is further advised by you that the Shares are to be offered to the public initially at $[•] a share (the "**Public Offering Price**") and to certain dealers selected by you at a price that represents a concession not in excess of $[•] a share under the Public Offering Price, and that any Underwriter may allow, and such dealers may reallow, a concession, not in excess of $[•] a share, to any Underwriter or to certain other dealers.

4. *Payment and Delivery*. Payment for the Firm Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on [•], 2012, or at such other time on the same or such other date, not later than [•], 2012 as shall be designated in writing by you. The time and date of such payment are hereinafter referred to as the "**Closing Date**."

Payment for any Additional Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the corresponding notice described in Section 2 or at such other time on the same or on such other date, in any event not later than [•], 2012 as shall be designated in writing by you.

The Firm Shares and Additional Shares shall be registered in such names and in such denominations as you shall request in writing not later than one full business day prior to the Closing Date or the applicable Option Closing Date, as the case may be. The Firm Shares and Additional Shares shall be delivered to you on the Closing Date or an Option Closing Date, as the case may be, for the respective accounts of the several Underwriters. The Purchase Price payable by the Underwriters shall be reduced by (i) any transfer taxes paid by, or on behalf of, the Underwriters in connection with the transfer of the Shares to the Underwriters duly paid and (ii) any withholding required by law.

5. *Conditions to the Underwriters' Obligations*. The obligations of the Company to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration Statement shall have become effective not later than [•] (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization," as such term is defined in Section 3(a)(62) of the Exchange Act; and

(ii) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus that, in your judgment, is material and adverse and that makes it, in your judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus and the Prospectus.

(b) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed on behalf of the Company by the chief executive officer or chief financial officer of the Company, to the effect set forth in Section 5(a)(i) above and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon the best of his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date an opinion and negative assurance letter of Goodwin Procter LLP, outside counsel for the Company, dated the Closing Date, in the form attached hereto as Exhibit B.

(d) The Underwriters shall have received on the Closing Date an opinion of Wilmer Cutler Pickering Hale and Dorr LLP, counsel for the Underwriters, dated the Closing Date, in the form and substance to be agreed upon by the Managers and such counsel.

With respect to the negative assurance letter referred to in Section 5(c) above, Goodwin Procter LLP may state that its opinions and beliefs are based upon their participation in the preparation of the Registration Statement, the Time of Sale Prospectus and the Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification, except as specified.

The opinion of Goodwin Procter LLP described in Section 5(c) above shall be rendered to the Underwriters at the request of the Company, and shall so state therein.

(e) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from each of Ernst & Young LLP and PricewaterhouseCoopers LLP, independent registered public accounting firms, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus; *provided* that the letters delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(f) The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between you and certain stockholders, officers and directors of the Company relating to sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to you on or before the date hereof, shall be in full force and effect on the Closing Date.

(g) The Shares have been approved for listing upon notice of issuance on the NASDAQ Global Market.

The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to you on the applicable Option Closing Date of such documents as you may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Shares to be sold on such Option Closing Date and other matters related to the issuance of such Additional Shares.

6. *Covenants of the Company*. The Company covenants with each Underwriter as follows:

(a) To furnish to you, without charge, five (5) signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to you in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6(e) or 6(f) below, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as you may reasonably request.

(b) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, to furnish to you a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which you reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(c) To furnish to you a copy of each proposed free writing prospectus to be prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any proposed free writing prospectus to which you reasonably object.

(d) Not to take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder.

(e) If the Time of Sale Prospectus is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when the Time of Sale Prospectus is delivered to a prospective purchaser, be misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(f) If, during such period after the first date of the public offering of the Shares as in the reasonable opinion of counsel for the Underwriters the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, not misleading, or if, in the reasonable opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses you will furnish to the Company) to which Shares may have been sold by you on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law.

(g) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as you shall reasonably request; *provided* that the Company shall not be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(h) To make generally available to the Company’s security holders and to you as soon as practicable an earning statement covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(i) To comply with all applicable securities and other laws, rules and regulations in each jurisdiction in which the Directed Shares are offered in connection with the Directed Share Program.

7. *Expenses*. Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, the Company agrees to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the cost of printing or producing any Blue Sky or legal investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 6(g) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or legal investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by the Financial Industry Regulatory Authority, *provided* that such fees and disbursements of counsel to the Underwriters payable by the Company pursuant to subsections (iii) and (iv) are not to exceed $15,000, (v) all fees and expenses in connection with the preparation and filing of the registration statement on Form 8-A relating to the Common Stock and all costs and expenses incident to listing the Shares on the NASDAQ Global Market, (vi) the cost of printing certificates representing the Shares, (vii) the costs and charges of any transfer agent, registrar or depositary, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants

engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and one-half of the cost of any aircraft chartered in connection with the road show (the remaining one-half of the cost of such aircraft to be paid by the Underwriters), (ix) the document production charges and expenses associated with printing this Agreement, (x) all fees and disbursements of counsel incurred by the Underwriters in connection with the Directed Share Program and stamp duties, similar taxes or duties or other taxes, if any, incurred by the Underwriters in connection with the Directed Share Program and (xi) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section, Section 9 entitled "Indemnity and Contribution", Section 10 entitled "Directed Share Program Indemnification" and the last paragraph of Section 12 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make.

8. *Covenants of the Underwriters*. Each Underwriter severally covenants with the Company not to take any action that would result in the Company being required to file with the Commission under Rule 433(d) a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not be required to be filed by the Company thereunder, but for the action of the Underwriter.

9. *Indemnity and Contribution.* (a) The Company agrees to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, and each affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus or any amendment or supplement thereto, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any Company information that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, any road show as defined in Rule 433(h) under the Securities Act (a "road show"), or the Prospectus or any amendment or supplement thereto, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through you expressly for use therein.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) caused by any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus or any amendment or supplement thereto, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any Company information that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, any road show, or the Prospectus or any amendment or supplement thereto, or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but only with reference to information relating to such Underwriter furnished to the Company in writing by such Underwriter through you expressly for use in the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any issuer free writing prospectus, road show or the Prospectus or any amendment or supplement thereto.

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 9(a) or 9(b) such person (the "**indemnified party**") shall promptly notify the person against whom such indemnity may be sought (the "**indemnifying party**") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the reasonably incurred and documented fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for (i) the fees and expenses of more than one separate firm (in addition to any local counsel) for all Underwriters and all persons, if any, who control any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act or who are affiliates of any Underwriter within the meaning of Rule 405 under the Securities Act and (ii) the fees and expenses of more than one separate firm (in addition to any local counsel) for the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either such Section and that all such fees and expenses shall be reimbursed as they are incurred. In the case of any such separate firm for the Underwriters and such control persons and affiliates of any Underwriters, such firm shall be designated in writing by Morgan Stanley. In the case of any such separate firm for the Company, and such directors, officers and control persons of the Company, such firm shall be designated in writing by the Company. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement (i) includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party.

(d) To the extent the indemnification provided for in Section 9(a) or 9(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other hand from the offering of the Shares or (ii) if the allocation provided by clause 9(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 9(d)(i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Company on the one hand and the Underwriters on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 9 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 9 were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 9(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 9(d) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 9, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 9 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter or any affiliate of any Underwriter or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

10. *Directed Share Program Indemnification.* (a) The Company agrees to indemnify and hold harmless Morgan Stanley, each person, if any, who controls Morgan Stanley within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and each affiliate of Morgan Stanley within the meaning of Rule 405 of the Securities Act ("**Morgan Stanley Entities**") from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) (i) caused by any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Directed Share Program or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) caused by the failure of any Participant to pay for and accept delivery of Directed Shares that the Participant agreed to purchase; or (iii) related to, arising out of, or in connection with the Directed Share Program, other than losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined to have resulted from the bad faith or gross negligence of Morgan Stanley Entities.

(b) In case any proceeding (including any governmental investigation) shall be instituted involving any Morgan Stanley Entity in respect of which indemnity may be sought pursuant to Section 10(a), the Morgan Stanley Entity seeking indemnity, shall promptly notify the Company in writing and the Company, upon request of the Morgan Stanley Entity, shall retain counsel reasonably satisfactory to the Morgan Stanley Entity to represent the Morgan Stanley Entity and any others the Company may designate in such proceeding and shall pay the reasonably incurred and documented fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Morgan Stanley Entity shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Morgan Stanley Entity unless (i) the Company shall have agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the Company and the Morgan Stanley Entity and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company shall not, in respect of the legal expenses of the Morgan Stanley Entities in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Morgan Stanley Entities. Any such separate firm for the Morgan Stanley Entities shall be designated in writing by Morgan Stanley. The Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Company agrees to indemnify the Morgan Stanley Entities from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time a Morgan Stanley Entity shall have requested the Company to reimburse it for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the Company agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Company of the aforesaid request and (ii) the Company shall not have reimbursed the Morgan Stanley Entity in accordance with such request prior to the date of such settlement. The Company shall not, without the prior written consent of Morgan Stanley, effect any settlement of any pending or threatened proceeding in respect of which any Morgan Stanley Entity is or could have been a party and indemnity could have been sought hereunder by such Morgan Stanley Entity, unless such settlement includes an unconditional release of the Morgan Stanley Entities from all liability on claims that are the subject matter of such proceeding.

(c) To the extent the indemnification provided for in Section 10(a) is unavailable to a Morgan Stanley Entity or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Company in lieu of indemnifying the Morgan Stanley Entity thereunder, shall contribute to the amount paid or payable by the Morgan Stanley Entity as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Morgan Stanley Entities on the other hand from the offering of the Directed Shares or (ii) if the allocation provided by clause 10(c)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 10(c)(i) above but also the relative fault of the Company on the one hand and of the Morgan Stanley Entities on the other hand in connection with any statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Morgan Stanley Entities on the other hand in connection with the offering of the Directed Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Directed Shares (before deducting expenses) and the total underwriting discounts and commissions received by the Morgan Stanley Entities for the Directed Shares, bear to the aggregate Public Offering Price of the Directed Shares. If the loss, claim, damage or liability is caused by an untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact, the relative fault of the Company on the one hand and the Morgan Stanley Entities on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or the omission or alleged omission relates to information supplied by the Company or by the Morgan Stanley Entities and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(d) The Company and the Morgan Stanley Entities agree that it would not be just or equitable if contribution pursuant to this Section 10 were determined by pro rata allocation (even if the Morgan Stanley Entities were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 10(c). The amount paid or payable by the Morgan Stanley Entities as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by the Morgan Stanley Entities in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 10, no Morgan Stanley Entity shall be required to contribute any amount in excess of the amount by which the total price at which the Directed Shares distributed to the public were offered to the public exceeds the amount of any damages that such Morgan Stanley Entity has otherwise been required to pay. The remedies provided for in this Section 10 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(e) The indemnity and contribution provisions contained in this Section 10 shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Morgan Stanley Entity or the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Directed Shares.

11. *Termination*. The Underwriters may terminate this Agreement by notice given by you to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange or the NASDAQ Global Market, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by Federal or New York State authorities or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in your judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in your judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus.

12. *Effectiveness; Defaulting Underwriters*. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule I bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as you may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; *provided* that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 12 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased on such date, and arrangements satisfactory to you and the Company for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either you or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven days, in order that the required changes, if any, in the Registration Statement, in the Time of Sale Prospectus, in the Prospectus or in any other documents or arrangements may be effected. If, on an Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased on such Option Closing Date, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase the Additional Shares to be sold on such Option Closing Date or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

13. *Entire Agreement*. (a) This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Agreement) that relate to the offering of the Shares, represents the entire agreement between the Company and the Underwriters with respect to the preparation of any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the offering, and the purchase and sale of the Shares.

(b) The Company acknowledges that in connection with the offering of the Shares: (i) the Underwriters have acted at arms length, are not agents of, and owe no fiduciary duties to, the Company or any other person, (ii) the Underwriters owe the Company only those duties and obligations set forth in this Agreement and prior written agreements (to the extent not superseded by this Agreement), if any, and (iii) the Underwriters may have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Shares.

14. *Counterparts*. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

15. *Applicable Law*. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

16. *Headings*. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

17. *Notices*. All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to you in care of Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Desk, with a copy to the Legal Department, and to Wilmer Cutler Pickering Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, Attention: David A. Westenberg, Esq.; and if to the Company shall be delivered, mailed or sent to Brightcove Inc., One Cambridge Center, Cambridge, MA 02142, Attention: General Counsel, with a copy to Goodwin Procter LLP, 53 State Street, Boston, Massachusetts 02109, Attention: William J. Schnoor, Esq. and Joseph C. Theis, Esq.

Very truly yours,

Brightcove Inc.

By: ______________________________
Name:
Title:

Accepted as of the date hereof

Morgan Stanley & Co. LLC
Stifel, Nicolaus & Company, Incorporated
RBC Capital Markets, LLC
Pacific Crest Securities LLC
Raymond James & Associates, Inc.

Acting severally on behalf of themselves and the several Underwriters named in Schedule I hereto.

By: Morgan Stanley & Co. LLC

By: ____
Name:
Title:

SCHEDULE I

Underwriter	Number of Firm Shares To Be Purchased
Morgan Stanley & Co. LLC	
Stifel, Nicolaus & Company, Incorporated	
RBC Capital Markets, LLC	
Pacific Crest Securities LLC	
Raymond James & Associates, Inc	
Total:	

SCHEDULE II

Time of Sale Prospectus

1. Preliminary Prospectus issued [•], 2012
2. [identify all free writing prospectuses filed by the Company under Rule 433(d) of the Securities Act]
3. [free writing prospectus containing a description of terms that does not reflect final terms, if the Time of Sale Prospectus does not include a final term sheet]
4. [orally communicated pricing information such as price per share and size of offering if a Rule 134 pricing term sheet is used at the time of sale instead of a pricing term sheet filed by the Company under Rule 433(d) as a free writing prospectus]

Exhibit A

[LOCK-UP LETTER]

____________, 2012

Morgan Stanley & Co. LLC

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, NY 10036

Ladies and Gentlemen:

The undersigned understands that Morgan Stanley & Co. LLC ("**Morgan Stanley**") proposes to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with Brightcove Inc., a Delaware corporation (the "**Company**"), providing for the public offering (the "**Public Offering**") by the several underwriters, including Morgan Stanley (the "**Underwriters**"), of [ ] shares (the "**Shares**") of common stock, par value $0.001 per share, of the Company (the "**Common Stock**").

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of Morgan Stanley on behalf of the Underwriters, it will not, during the period commencing on the commencement date for the road show relating to the Public Offering and ending 180 days after the date of the final prospectus relating to the Public Offering (the "**Prospectus**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock beneficially owned (as such term is used in Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), by the undersigned or any other securities so owned convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing sentence shall not apply to:

(a) to the Shares to be sold pursuant to the Underwriting Agreement or any transactions relating to shares of Common Stock or other securities acquired either in the Public Offering or in open market transactions after the completion of the Public Offering, *provided* that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made in connection with subsequent sales of Common Stock or other securities acquired in such open market transactions;

(b) transfers of shares of Common Stock or any security convertible into Common Stock as a bona fide gift;

(c) transfers of shares of Common Stock or any security convertible into or exercisable for Common Stock by will or intestacy or to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned;

(d) distributions by a trust to its beneficiaries;

(e) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity (i) transfers to another corporation, partnership, limited liability company, trust or other business entity that is a direct or indirect affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned or (ii) distributions of shares of Common Stock or any security convertible into or exercisable for Common Stock to limited partners, limited liability company members or stockholders of the undersigned;

(f) transfers to the Company in connection with the cashless exercise of convertible securities or options to purchase shares of Common Stock pursuant to employee benefit plans in accordance with the terms of such plans as described in the Prospectus; *provided*, no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of Common Stock, shall be required or shall be voluntarily made during the restricted period; or

(g) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock, *provided* that such plan does not provide for the transfer of Common Stock during the restricted period and no public announcement or filing under the Exchange Act regarding the establishment of such plan shall be required of or voluntarily made by or on behalf of the undersigned or the Company.

In the case of any transfer or distribution pursuant to clause (b), (c), (d) or (e), (i) each donee, trustee, distributee or transferee shall sign and deliver a lock-up letter substantially in the form of this letter and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction in beneficial ownership of shares of Common Stock, shall be required or shall be voluntarily made during the restricted period referred to in the foregoing sentence. In addition, the undersigned agrees that, without the prior written consent of Morgan Stanley on behalf of the Underwriters, it will not, during the period commencing on the date hereof and ending 180 days after the date of the Prospectus, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock, and hereby waives any such registration rights. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's shares of Common Stock except in compliance with the foregoing restrictions. For the purposes of this agreement, "**immediate family**" means spouse, domestic partner, parent, sibling, child or grandchild.

If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any issuer-directed Shares the undersigned may purchase in the offering.

If the undersigned is an officer or director of the Company, (i) Morgan Stanley agrees that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, Morgan Stanley will notify the Company of the impending release or waiver, and (ii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by Morgan Stanley hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

If:

(1) during the last 17 days of the restricted period the Company issues an earnings release or announces material news or a material event relating to the Company occurs; or

(2) prior to the expiration of the restricted period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period or provides notification to Morgan Stanley of any earnings release, or material news or a material event that may give rise to an extension of the initial 180-day restricted period;

the restrictions imposed by this agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

The undersigned shall not engage in any transaction that may be restricted by this agreement during the 34-day period beginning on the last day of the initial restricted period unless the undersigned requests and receives prior written confirmation from the Company or Morgan Stanley that the restrictions imposed by this agreement have expired.

The undersigned understands that the Company and the Underwriters are relying upon this agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

This lock-up letter shall automatically terminate and be of no further effect upon the earliest to occur, if any, of: (i) the date upon which the Company provides the Underwriters with written notice, prior to execution of the Underwriting Agreement, that it does not intend to proceed with the Public Offering, (ii) the termination of the Underwriting Agreement (other than the provisions thereof which survive termination) prior to the sale of any of the Shares to the Underwriters, or (iii) September 30, 2012, in the event that the Underwriting Agreement has not been executed by that date.

Very truly yours,

(Signature)

(Print Name)

(Address)

EXHIBIT 3.1

TENTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
BRIGHTCOVE INC.

Brightcove 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 Brightcove Inc. The date of the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was August 24, 2004 (the "Original Certificate"). The name under which the Corporation filed the Original Certificate was Video Marketplace, Inc.

2. This Tenth Amended and Restated Certificate of Incorporation (the "Certificate") amends, restates and integrates the provisions of the Ninth Amended and Restated Certificate of Incorporation that was filed with the Secretary of State of the State of Delaware on March 25, 2010 and amended by a Certificate of Amendment that was filed with the Secretary of State of the State of Delaware on February [   ], 2012 (as amended, the "Amended and Restated 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 Amended and Restated 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 Brightcove Inc.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which 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 127,083,005, of which (i) 100,000,000 shares shall be a class designated as common stock, par value $0.001 per share (the "Common Stock"), (ii) 22,083,005 shall be a class designated as convertible preferred stock, par value $0.001 per share (the "Pre-IPO Preferred Stock") and (iii) 5,000,000 shall be a class designated as undesignated preferred stock, par value $0.001 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 Pre-IPO Preferred Stock, the Undesignated Preferred Stock and except as 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. PRE-IPO PREFERRED STOCK

Designation. 5,375,000 shares of Pre-IPO Preferred Stock are designated as Series A Convertible Preferred Stock ("Series A Preferred Stock"), 7,000,000 are designated as Series B Convertible Preferred Stock ("Series B Preferred Stock"), 7,392,163 are designated as Series C Convertible Preferred Stock ("Series C Preferred Stock") and 2,315,842 are designated as Series D Convertible Preferred Stock ("Series D Preferred Stock") and collectively with the Series A Preferred Stock, the Series B Preferred Stock and the Series C Preferred Stock, "Series Preferred Stock"), with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations.

Unless otherwise indicated, references to "Sections" or "Subsections" in this Part B of this Article Fourth refer to sections and subsections of Part B of this Article Fourth.

1. Dividends. From and after the date of the issuance of any shares of Series A Preferred Stock, a cumulative dividend will accrue at a rate of six percent (6%) per annum per share based on the Series A Original Issue Price (as defined in Subsection 2(a)) of each such share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding) (the "Series A Accruing Dividends"). From and after the date of the issuance of any shares of Series B Preferred Stock, a cumulative dividend will accrue at a rate of six percent (6%) per annum per share based on the Series B Original Issue Price (as defined in Subsection 2(b)) of each such share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding) (the "Series B Accruing Dividends"). From and after the date of the issuance of any shares of Series C Preferred Stock, a cumulative dividend will accrue at a rate of six percent (6%) per annum per share based on the Series C Original Issue Price (as defined in Subsection 2(c)) of each such share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding) (the "Series C Accruing Dividends"). From and after the date of the issuance of any shares of Series D Preferred Stock, a cumulative dividend will accrue at a rate of six percent (6%) per annum per share based on the Series D Original Issue Price (as defined in Subsection 2(d)) of each such share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding) (the "Series D Accruing Dividends," and collectively with the Series A Accruing Dividends, the Series B Accruing Dividends and the Series C Accruing Dividends, the "Accruing Dividends"). Accruing Dividends shall accrue from day to day, whether or not earned or declared, and shall be cumulative; provided however, that except as set forth in Section 6, the Corporation shall be under no obligation to pay such Accruing Dividends unless so declared by the Board of Directors. The Corporation shall pay the amount of the aggregate Accruing Dividends then accrued on shares of Series Preferred Stock and not previously paid promptly upon resolution by the Corporation's Board of Directors declaring such dividend. The Corporation shall not declare, pay or set aside any dividends on

any other shares of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless the holders of the Series Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series Preferred Stock in an amount at least equal to the sum of (i) the amount of the aggregate Accruing Dividends then accrued on such share of Series Preferred Stock and not previously paid plus (ii) (A) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, an amount equal to the product of (1) the dividend payable on each share of such class or series determined, if applicable, as if all such shares of such class or series had been converted into Common Stock and (2) the number of shares of Common Stock issuable upon conversion of a share of Series Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, an amount determined by (1) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding) and (2) multiplying such fraction by an amount equal to the Series A Original Issue Price, Series B Original Issue Price, Series C Original Issue Price or Series D Original Issue Price, as applicable. If at any time dividends then payable with respect to Series Preferred Stock cannot be paid in full, such payment will be distributed ratably among the holders of Series Preferred Stock based upon the aggregate unpaid dividends on such shares of Series Preferred Stock held by each such holder. Notwithstanding anything to the contrary set forth herein, payment of any dividends or distributions on the capital stock of the Corporation shall be subject to Subsection 3(c).

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

a. Preferential Payments to Holders of Series A Preferred Stock. In the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets available for distribution to the Corporation's stockholders, subject to the right of any other holder of Series Preferred Stock ranking pari passu on liquidation with the Series A Preferred Stock, before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount equal to $1.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding) (such amount, as so adjusted from time to time, being hereinafter referred to as the "Series A Original Issue Price"), plus any declared but unpaid dividends thereon.

b. Payments to Holders of Series B Preferred Stock. Subject to Subsection 2(e), in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series B Preferred Stock then outstanding shall be entitled to be paid out of the assets available for distribution to the Corporation's stockholders, subject to the right of any other holder of Series Preferred Stock ranking pari passu on liquidation with the Series B Preferred Stock, before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount equal to $2.47 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding) (such amount, as so adjusted from time to time, being hereinafter referred to as the "Series B Original Issue Price"), plus any declared but unpaid dividends thereon.

c. Payments to Holders of Series C Preferred Stock. Subject to Subsection 2(e), in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series C Preferred Stock then outstanding shall be entitled to be paid out of the assets available for distribution to the Corporation's stockholders, subject to the right of any other holder of Series Preferred Stock ranking pari passu on liquidation with the Series C Preferred Stock, before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount equal to $8.05 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding) (such amount, as so adjusted from time to time, being hereinafter referred to as the "Series C Original Issue Price"), plus any declared but unpaid dividends thereon.

d. Payments to Holders of Series D Preferred Stock. Subject to Subsection 2(e), in the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Series D Preferred Stock then outstanding shall be entitled to be paid out of the assets available for distribution to the Corporation's stockholders, subject to the right of any other holder of Series Preferred Stock ranking pari passu on liquidation with the Series D Preferred Stock, before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount equal to $5.1817 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding) (such amount, as so adjusted from time to time, being hereinafter referred to as the "Series D Original Issue Price"), plus any declared but unpaid dividends thereon.

If upon any such liquidation, dissolution or winding up of the Corporation the assets available for distribution to the Corporation's stockholders shall be insufficient to pay the holders of shares of Series Preferred Stock the full amount to which they shall be entitled pursuant to Subsections 2(a), 2(b), 2(c) and 2(d), the holders of shares of Series Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

e. Distribution of Remaining Assets. In the event of a voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment of all preferential amounts required to be paid to the holders of shares of Series Preferred Stock in accordance with Subsections 2(a), 2(b), 2(c) and 2(d) above, the remaining assets available for distribution to the Corporation's stockholders shall be distributed among the holders of the shares of Series A Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such shares of Series A Preferred Stock as if they had been converted to Common Stock pursuant to the terms of the Certificate of Incorporation immediately prior to such liquidation, dissolution or winding up of the Corporation; provided, however, that (i) if the aggregate per share amount which the holders of Series A Preferred Stock would be entitled to receive under Subsections 2(a) and 2(e), without giving effect to this proviso, shall exceed two times (2x) the Series A Original Issue Price (such amount that is two times (2x) the Series A Original Issue Price, the "Series A Maximum Participation Amount"), the holders of Series A Preferred Stock shall instead be entitled to receive upon such liquidation, dissolution or winding up of the Corporation a per share amount equal to the greater of (x) the Series A Maximum Participation Amount or (y) the per share amount such holders would have received if all such holders had converted their shares of Series A Preferred Stock into Common Stock immediately prior to such liquidation, dissolution or winding up of the Corporation and (ii) the holders of Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock shall be entitled to receive upon liquidation, dissolution or winding up of the Corporation a per share amount equal to the greater of (A) the per share amount which the holders of such Preferred Stock would be entitled to receive under Subsection 2(b), 2(c) or 2(d), as applicable, or (B) the per share amount such holders would have received if all holders of such series of Preferred Stock had converted their shares of such series of Preferred Stock into Common Stock immediately prior to such liquidation, dissolution or winding up of the Corporation, plus any declared but unpaid dividends thereon.

f. Deemed Liquidation Events.

i. The following events shall be deemed to be a liquidation of the Corporation for purposes of this Section 2 (a "Deemed Liquidation Event"), unless the holders of greater than fifty percent (50%) of the then outstanding shares of Series Preferred Stock, voting together as a single class, elect otherwise by written notice given to the Corporation at least three day prior to the effective date of any such event:

A. a merger or consolidation in which

I. the Corporation is a constituent party or

II. a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted or exchanged for shares of capital stock which represent, immediately following such merger or consolidation at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation (provided that, for the purpose of this Subsection 2(f)(i), all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such merger or consolidation or upon conversion of Convertible Securities outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of Common Stock are converted or exchanged); or

B. the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets or technology of the Corporation and its subsidiaries taken as a whole except where such sale, lease, transfer, exclusive license or other disposition is to a wholly-owned subsidiary of the Corporation.

ii. The Corporation shall not have the power to effect any transaction constituting a Deemed Liquidation Event pursuant to Subsection 2(f)(i)(A)(I) above unless the agreement or plan of merger or consolidation provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2(a), 2(b), 2(c), 2(d) and 2(e) above.

iii. The Corporation shall not have the power to effect any transaction constituting a Deemed Liquidation Event pursuant to Subsection 2(f)(i)(A)(II) or (B) above unless, in connection with such Deemed Liquidation Event, the Corporation adopts a plan of distribution that is in accordance with applicable law and in form and substance satisfactory to the holders of greater than fifty percent (50%) of the then outstanding shares of Series Preferred Stock, voting together as a single class providing that the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold, transferred, disposed of, leased or licensed on an exclusive basis, as determined in good faith by the Board of Directors of the Corporation) and any remaining assets of the Corporation be distributed to the Corporation's stockholders in accordance with Subsections 2(a), 2(b), 2(c), 2(d) and 2(e) above by effecting a dissolution of the Corporation under the General Corporation Law, a redemption of the Corporation's capital stock or other means of distribution approved by the holders of greater than fifty percent (50%) of the then outstanding shares of Series Preferred Stock, voting together as a single class.

iv. If any assets of the Corporation distributed to stockholders in connection with this Section 2 are other than cash, then the value of such assets shall be their fair market value as determined by the Board of Directors of the Corporation in good faith, except that any securities to be distributed to stockholders in a liquidation, dissolution, or winding up of the Corporation shall be valued as follows:

A. The method of valuation of securities not subject to investment letter, escrow or other restrictions on free marketability shall be as follows:

I. unless otherwise specified in a definitive agreement for the acquisition of the Corporation, if the securities are then traded on a national securities exchange such as the New York Stock Exchange or the Nasdaq Stock Market, then the value shall be deemed to be the average of the closing prices of the securities on such exchange or system over the thirty (30) day period ending three (3) days prior to the distribution; and

II. if (I) above does not apply but the securities are actively traded over-the-counter, then, unless otherwise specified in a definitive agreement for the acquisition of the Corporation, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and

III. if there is no active public market, then the value shall be the fair market value thereof, as determined in good faith by the Board of Directors of the Corporation.

B. The method of valuation of securities subject to investment letter, escrow or other restrictions on free marketability shall be to make an appropriate discount from the market value determined as above in Subsection 2(f)(iv)(A)(I), (II) and (III) to reflect the approximate fair market value thereof, as determined in good faith by the Board of Directors.

3. Voting.

a. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Series Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or as provided in this Certificate of Incorporation, holders of Series Preferred Stock shall vote together with the holders of Common Stock, and with the holders of any other series of Preferred Stock the terms of which so provide, as a single class.

b. The holders of Series A Preferred Stock, voting as a separate series, shall be entitled to elect two (2) directors of the Corporation (the "Series A Directors"). The Series A Directors may be removed with or without cause by, and only by, the affirmative vote of the holders of at least sixty five percent (65%) of the then outstanding shares of Series A Preferred Stock, voting as a separate series, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of such stockholders. The holders of a majority of the outstanding Common Stock, voting as a separate class, shall be entitled to elect one (1) director of the Corporation (the "Common Director"). The Common Director may be removed with or without cause by, and only by, the affirmative vote of the holders of a majority of the outstanding Common Stock, voting as a separate class, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of such stockholders. If the holders of shares of Series A Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate series or class, pursuant to the preceding sentences of this Subsection 3(b), then any directorship not so filled shall remain vacant until such time as the holders of the Series A Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate series or class. The holders of record of the shares of Common Stock and Series Preferred Stock, voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3(b), a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3(b).

c. At any time when at least 4,000,000 shares of Series Preferred Stock (subject to appropriate adjustment in the event of any dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding) are outstanding, except where the vote or written consent of the holders of a greater number of shares of the Corporation is required by law or by the Certificate of Incorporation, and in addition to any other vote required by law or the Certificate of Incorporation, without the written consent or affirmative vote of the holders of greater than fifty percent (50%) of the then outstanding shares of Series Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) together as a single class, the Corporation shall not, either directly or by amendment, merger, consolidation or otherwise:

i. effect any liquidation, dissolution, winding up, merger, consolidation, recapitalization or reorganization of the Corporation, consummate a Deemed Liquidation Event, or consent to any of the foregoing;

ii. amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation;

iii. create any additional class or series of shares of stock unless the same ranks junior to the Series Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation and with respect to the payment of dividends and redemption rights, or increase the authorized number of shares of Series Preferred Stock or increase the authorized number of shares of any other class or series of shares of stock unless the same ranks junior to the Series Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation and with respect to the payment of dividends and redemption rights, or create or authorize any obligation or security convertible into shares of any class or series of stock unless the same ranks junior to the Series Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation and with respect to the payment of dividends and redemption rights;

iv. purchase or redeem or pay or declare any dividend or make any distribution on, any shares of stock other than the Series Preferred Stock as expressly authorized herein, or permit any subsidiary of the Corporation to take any such action, except for (i) payment of dividends or other distributions on the Common Stock solely in the form of additional shares of Common Stock or (ii) the repurchase of securities from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof;

v. increase the number of Reserved Shares (as defined below); or

vi. increase or decrease the authorized number of directors constituting the Board of Directors.

4. Optional Conversion.

The holders of the Series Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

a. Right to Convert.

i. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series A Original Issue Price by the Series A Conversion Price (as defined below) in effect at the time of conversion. The "Series A Conversion Price" shall initially be $1.30. Such initial Series A Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

ii. Each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series B Original Issue Price by the Series B Conversion Price (as defined below) in effect at the time of conversion. The "Series B Conversion Price" shall initially be $3.211. Such initial Series B Conversion Price, and the rate at which shares of Series B Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

iii. Each share of Series C Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series C Original Issue Price by the Series C Conversion Price (as defined below) in effect at the time of conversion. The "Series C Conversion Price" shall initially be $10.465. Such initial Series C Conversion Price, and the rate at which shares of Series C Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

iv. Each share of Series D Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Series D Original Issue Price by the Series D Conversion Price (as defined below) in effect at the time of conversion. The "Series D Conversion Price" shall initially be $11.93868. Such initial Series D Conversion Price, and the rate at which shares of Series D Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

In the event of a notice of redemption of any shares of Series Preferred Stock pursuant to Section 6 hereof, the Conversion Rights of the shares designated for redemption shall terminate at the close of business on the last full day preceding the date fixed for redemption, unless the redemption price is not paid on such redemption date, in which case the Conversion Rights for such shares shall continue until such price is paid in full. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion

Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Series Preferred Stock.

b. Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of shares of Series Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors of the Corporation. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Series Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

c. Mechanics of Conversion.

i. In order for a holder of Series Preferred Stock to voluntarily convert shares of Series Preferred Stock into shares of Common Stock, such holder shall surrender the certificate or certificates for such shares of Series Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Series Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of the Series Preferred Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such certificates (or lost certificate affidavit and agreement) and notice shall be the time of conversion (the "Conversion Time"), and the shares of Common Stock issuable upon conversion of the shares represented by such certificate shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time, issue and deliver at such office to such holder of Series Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled, together with cash in lieu of any fraction of a share.

ii. The Corporation shall at all times when the Series Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued stock, for the purpose of effecting the conversion of the Series Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Series 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 Series Preferred Stock, the Corporation shall take such corporate action as may 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 Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Series A Conversion Price, in the case of the Series A Preferred Stock, the Series B Conversion Price, in the case of the Series B Preferred Stock, the Series C Conversion Price, in the case of the Series C Preferred Stock or the Series D Conversion Price, in the case of the Series D Preferred Stock (individually or collectively, as applicable, the "Applicable Conversion Price") below the then par value of the shares of Common Stock issuable upon conversion of the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock or Series D Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and nonassessable shares of Common Stock at such adjusted Applicable Conversion Price.

iii. All shares of Series Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall immediately cease and terminate at the Conversion Time, except for the right of the holders thereof to receive shares of Common Stock in exchange therefor and to receive payment of any dividends declared but unpaid thereon; provided, however, that the Corporation shall be under no obligation to pay Accruing Dividends upon the conversion of shares of Series Preferred Stock unless declared by the Board of Directors prior to such conversion. Any shares of Series Preferred Stock so converted shall be retired and cancelled and shall not be reissued as shares of such series, and the Corporation (without the need for stockholder action) may from time to time take such appropriate action as may be necessary to reduce the authorized number of shares of Series Preferred Stock accordingly.

iv. Upon any such conversion, no adjustment to the Applicable Conversion Price shall be made for any declared but unpaid dividends on the Series Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

v. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Series Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Series Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

d. Adjustments to Applicable Conversion Price for Dilutive Issues.

i. Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

A. "Option" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

B. “Series D Original Issue Date” shall mean the date on which the first share of Series D Preferred Stock was issued.

C. “Convertible Securities” shall mean any evidence of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, including the Series Preferred Stock but excluding Options.

D. “Additional Shares of Common Stock” shall mean all shares of Common Stock issued (or, pursuant to Subsection 4(d)(iii) below, deemed to be issued) by the Corporation after the Series D Original Issue Date, other than the following (“Exempted Securities”):

I. shares of Common Stock issued or deemed issued as a dividend or distribution on Series Preferred Stock;

II. shares of Common Stock issued or issuable by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4(e) or 4(f) below;

III. up to 6,141,524 shares of Common Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding), or such greater number approved by the holders of greater than fifty percent (50%) of the then outstanding shares of Series Preferred Stock, voting together as a single class (the “Reserved Shares”), issued or deemed issued to employees, officers, directors, consultants and advisors of the Corporation and any of its subsidiaries pursuant to the Amended and Restated 2004 Stock Option and Incentive Plan of the Corporation, as amended, or any other equity award plan, agreement or arrangement approved by the Board of Directors of the Corporation, whether issued before or after the Series D Original Issue Date (provided that any Options for such shares that expire or terminate unexercised or any restricted stock repurchased by the Corporation at cost shall not be counted toward such maximum number unless and until such shares are regranted as new stock grants (or as new Options) pursuant to the terms of any such plan, agreement or arrangement);

IV. shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

V. shares of Common Stock (and/or options or warrants therefor), or shares of Convertible Securities (and/or options or warrants therefor) which are convertible into up to a maximum of 410,000 shares of Common Stock (subject to appropriate adjustment for stock splits, stock dividends, combinations and other similar recapitalizations affecting the number of such shares issued and outstanding), issued or issuable to parties providing the Corporation with equipment leases, real property leases, loans, credit lines, guaranties of indebtedness, cash price reductions or similar financing, or issuable to parties entering into strategic agreements with the Corporation, in each case, under arrangements approved by the Board of Directors (including the Series A Directors then serving on the Board of Directors);

VI. shares of Common Stock issued or issuable pursuant to the acquisition of another business entity by the Corporation by merger, purchase of substantially all of the assets or other reorganization or pursuant to a joint venture agreement, technology license agreement or strategic partnership, in each case, under arrangements approved by the Board of Directors (including the Series A Directors then serving on the Board of Directors); and

VII. shares of Common Stock issued or issuable pursuant to a Qualified Public Offering (as defined below).

ii. No Adjustment of Applicable Conversion Price. No adjustment in the Applicable Conversion Price shall be made as the result of the issuance of Additional Shares of Common Stock if prior to such issuance or deemed issuance, the Corporation receives written notice from the holders of greater than fifty percent (50%) of the then outstanding shares of Series Preferred Stock, voting together as a single class, agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

iii. Deemed Issue of Additional Shares of Common Stock.

A. If the Corporation at any time or from time to time after the Series D Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which, upon exercise, conversion or exchange thereof, would entitle the holder thereof to receive Exempted Securities pursuant to Subsections 4(d)(i)(D)(I), (II), (III), (IV), (V) or (VI)) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

B. If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Applicable Conversion Price pursuant to the terms of Subsection 4(d)(iv) below, are revised (either automatically pursuant to the provisions contained therein or as a result of an amendment to such terms) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then, effective upon such increase or decrease becoming effective, the Applicable Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Applicable Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no adjustment pursuant to this clause (B) shall have the effect of increasing the Applicable Conversion Price to an amount which exceeds the lower of (i) the Applicable Conversion Price on the original adjustment date, or (ii) the Applicable Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock between the original adjustment date and such readjustment date.

C. If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which, upon exercise, conversion or exchange thereof, would entitle the holder thereof to receive Exempted Securities pursuant to Subsections 4(d)(i)(D)(I), (II), (III), (IV), (V) or (VI)), the issuance of which did not result in an adjustment to the Applicable Conversion Price pursuant to the terms of Subsection 4(d)(iv) below (either because the consideration per share (determined pursuant to Subsection 4(d)(v) hereof) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Applicable Conversion Price then in effect, or because such Option or Convertible Security was issued before the Series D Original Issue Date), are revised after the Series D Original Issue Date (either automatically pursuant to the provisions contained therein or as a result of an amendment to such terms) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4(d)(iii)(A) above) shall be deemed to have been issued effective upon such increase or decrease becoming effective. If the change in such Option or Convertible Security causes an adjustment pursuant to this provision and such Option or Convertible Security is then further changed as a result of the adjustments made pursuant to this provision, no further adjustment shall be made hereunder as a result of the further automatic change in such Option or Convertible Security.

iv. Adjustment of Applicable Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the Series D Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4(d)(iii)), without consideration or for a consideration per share less than the Applicable Conversion Price in effect immediately prior to such issue, then the Applicable Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP2 = CP1 * ((A + B) \div (A + C))$$

For purposes of the foregoing formula, the following definitions shall apply:

A. "CP2" shall mean the Applicable Conversion Price in effect immediately after such issue of Additional Shares of Common Stock;

B. "CP1" shall mean the Applicable Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

C. "A" shall mean the number of shares of Common Stock outstanding and deemed outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue, whether or not vested, or upon conversion of Convertible Securities (including the Series Preferred Stock) outstanding immediately prior to such issue);

D. "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP1); and

E. "C" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

v. Determination of Consideration. For purposes of this Subsection 4(d), the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

A. Cash and Property: Such consideration shall:

I. insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

II. insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and

III. in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (I) and (II) above, as determined in good faith by the Board of Directors of the Corporation.

B. Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4(d)(iii), relating to Options and Convertible Securities, shall be determined by dividing

I. the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

II. the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

vi. Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Applicable Conversion Price pursuant to the terms of Subsection 4(d)(iv) above, and such issuance dates occur within a period of no more than thirty (30) days from the first such issuance to the final such issuance, then, upon the final such issuance, the Applicable Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any adjustments as a result of any subsequent issuances within such period).

e. Adjustment for Stock Splits and Combinations. In case the Corporation shall at any time after the Series D Original Issue Date subdivide (by any stock split, stock dividend or otherwise) its outstanding shares of Common Stock into a greater number of shares, the Applicable Conversion Price in effect immediately prior to such subdivision shall be proportionately reduced, and, conversely, in case the outstanding shares of Common Stock shall be combined into a smaller number of shares, the Applicable Conversion Price in effect immediately prior to such combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

f. Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series D Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Applicable Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Applicable Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution;

provided, however, that if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Applicable Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Applicable Conversion Price shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and provided further, however, that no such adjustment shall be made if the holders of Series Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Series Preferred Stock had been converted into Common Stock on the date of such event.

g. Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series D Original Issue Date shall make or issue, or fix a record date for the determination of holders of capital stock of the Corporation entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property, then and in each such event the holders of Series Preferred Stock shall receive, simultaneously with the distribution to the holders of such capital stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Series Preferred Stock had been converted into Common Stock on the date of such event.

h. Adjustment for Merger or Reorganization, etc. Subject to the provisions of Section 2, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Series Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections (e), (f) or (g) of this Section 4), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Series Preferred Stock shall thereafter be convertible into, in lieu of the Common Stock into which it was convertible prior to such event, the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Series Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Series Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Applicable Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Series Preferred Stock.

i. Adjustment for Certain Initial Public Offerings.

i. If, and only if, (A) the Corporation issues or sells shares of Common Stock in a public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (an "IPO"), and (B) the price per share to the public in such IPO (the "IPO Price") is greater than or equal to $26.94 (such price, subject to appropriate adjustment for stock splits, stock dividends, combinations and other similar recapitalizations, the "Target IPO Price"), then the Series D Conversion Price in effect immediately prior to the IPO (without giving effect to any adjustment pursuant to this Subsection 4(i)(i)) shall be adjusted to a price that would be in effect if (x) the Series D Conversion Price on the Series D Original Issue Date had been $13.47242 and (y) any provision in this Certificate of Incorporation providing for the adjustment of the Series D Conversion Price following the Series D Original Issue Date had been applied as if the Series D Conversion Price on the Series D Original Issue Date was equal to $13.47242.

ii. If, and only if, (A) the Corporation issues or sells shares of Common Stock in an IPO and (B) the IPO Price is less than the Target IPO Price (the "Actual IPO Price"), then the Series D Conversion Price in effect immediately prior to the IPO (without giving effect to any adjustment pursuant to this Subsection 4(i)(ii)) shall be adjusted to a price that would be in effect if (x) the Series D Conversion Price on the Series D Original Issue Date had been equal to the greater of (a) $11.93868 or (b) the product of $13.47242, times a fraction, the numerator of which is the Actual IPO Price and the denominator of which is the Target IPO Price (the "Assumed IPO Conversion Price") and (y) any provision in this Certificate of Incorporation providing for the adjustment of the Series D Conversion Price following the Series D Original Issue Date had been applied as if the Series D Conversion Price on the Series D Original Issue Date was equal to the Assumed IPO Conversion Price; provided, however, that (1) in no event shall the adjustment pursuant to this Section 4(i)(ii) result in a decrease in the Series D Conversion Price in effect immediately prior to the IPO and (2) in no event shall the adjustment pursuant to this Subsection 4(i)(ii) result in an increase of the Series D Conversion Price above the price that would have resulted under Subsection 4(i)(i) if Subsection 4(i)(i) had applied to such IPO.

iii. The adjustments set forth in this Subsection 4(i) shall be effective as of immediately prior to, and shall be subject to, the closing of the IPO and shall be reflected in calculating the number of shares of Common Stock issuable upon conversion of each shares of Series D Preferred Stock upon consummation of the IPO. Any adjustment pursuant to this Subsection 4(i) shall be treated for United States tax purposes as a recapitalization under Section 368(a)(1)(E) of the Internal Revenue Code of 1986, as amended (the "Code").

j. Adjustment for Specified Deemed Liquidation Events.

i. If, and only if, (A) the Corporation consummates a Deemed Liquidation Event and (B) the assets available for distribution to each share of Series D Preferred Stock in such Deemed Liquidation Event pursuant to Subsection 2 (the "DLE Price") would be, without giving effect to any adjustment pursuant to this Subsection 4(j)(i), greater than or equal to $26.94 (such price, subject to appropriate adjustment for stock splits, stock dividends, combinations and other similar recapitalizations, the "Target DLE Price"), then the Series D Conversion Price in effect immediately prior to the Deemed Liquidation Event (without giving effect to any adjustment pursuant to this Subsection 4(j)(i)) shall be adjusted to a price that would be in effect if (x) the Series D Conversion Price on the Series D Original Issue Date had been $13.47242 and (y) any provision in this Certificate of Incorporation providing for the adjustment of the Series D Conversion Price following the Series D Original Issue Date had been applied as if the Series D Conversion Price on the Series D Original Issue date was equal to $13.47242.

ii. If, and only if, (A) the Corporation consummates a Deemed Liquidation Event and (B) the DLE Price in such Deemed Liquidation Event would be, without giving effect to any adjustment pursuant to this Subsection 4(j)(ii), less than the Target DLE Price (the "Actual DLE Price"), then the Series D Conversion Price in effect immediately prior to the Deemed Liquidation Event (without giving effect to any adjustment pursuant to this Subsection 4(j)(ii)) shall be adjusted to a price that would be in effect if (x) the Series D Conversion Price on the Series D Original Issue Date had been equal to the greater of (a) $11.93868 or (b) the product of $13.47242 times a fraction, the numerator of which is the Actual DLE Price and the denominator is the Target DLE Price (the "Assumed DLE Conversion Price") and (y) any provision in this Certificate of Incorporation providing for the adjustment of the Series D Conversion Price following the Series D Original Issue Date had been applied as if the Series D Conversion Price on the Series D Original Issue Date was equal to the Assumed DLE Conversion Price; provided, however, that (1) in no event shall the adjustment pursuant to this Section 4(j)(ii) result in a decrease in the Series D Conversion Price in effect immediately prior to the Deemed Liquidation Event and (2) in no event shall the adjustment pursuant to this Subsection 4(j)(ii) result in an increase of the Series D Conversion Price above the price that would have resulted under Subsection 4(j)(i) if Subsection 4(j)(i) had applied to such Deemed Liquidation Event.

iii. The adjustments set forth in this Subsection 4(j) shall be effective as of immediately prior to, and shall be subject to, the closing of the Deemed Liquidation Event and shall be reflected in calculating the number of shares of Common Stock issuable upon conversion of each shares of Series D Preferred Stock upon consummation of the Deemed Liquidation Event. Any adjustment pursuant to this Subsection 4(j) shall be treated for United States tax purposes as a recapitalization under Section 368(a)(1)(E) of the Code.

k. Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Applicable Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Series Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the Series Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Series Preferred Stock (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Applicable Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of Series Preferred Stock.

l. Notice of Record Date. In the event:

i. the Corporation shall take a record of the holders of its Common Stock (or other stock or securities at the time issuable upon conversion of the Series Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right; or

ii. of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

iii. of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Series Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other stock or securities at the time issuable upon the conversion of the Series Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Series Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice. Any notice required by the provisions hereof to be given to a holder of shares of Series Preferred Stock shall be deemed sent to such holder if deposited in the United States mail, postage prepaid, and addressed to such holder at his, her or its address appearing on the books of the Corporation.

5. Mandatory Conversion.

a. Upon the closing of the sale of shares of Common Stock to the public at a price of at least $10.00 per share (subject to appropriate adjustment for stock splits, stock dividends, combinations and other similar recapitalizations affecting the number of such shares issued and outstanding), in a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $30,000,000 of proceeds, net of the underwriting discount and commissions, to the Corporation (a "Qualified Public Offering"), (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective applicable conversion rate and (ii) such shares may not be reissued by the Corporation as shares of such series (a "QPO Mandatory Conversion"). Prior to a QPO Mandatory Conversion, at the election of the holders of greater than fifty percent (50%) of the then outstanding shares of Series Preferred Stock, acting together as a single class, (i) all or any portion of the outstanding shares of Series Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective applicable conversion rate, and (ii) such shares may not be reissued by the Corporation as shares of such series (an "Elected Mandatory Conversion"). In the event of an Elected Mandatory Conversion for less than all outstanding shares of Series Preferred Stock, the percentage of outstanding shares of each series of Series Preferred Stock converted into Common Stock in connection with such Elected Mandatory Conversion shall be the same across all series of Series Preferred Stock. The date on which the QPO Mandatory Conversion or any Elected Mandatory Conversion occurs shall be referred to as a "Mandatory Conversion Date."

b. All holders of record of shares of Series Preferred Stock shall be given written notice of a Mandatory Conversion Date and the place designated for mandatory conversion of all or any portion of such shares of Series Preferred Stock pursuant to this Section 5. Such notice need not be given in advance of the occurrence of a Mandatory Conversion Date. Such notice shall be sent by first class or registered mail, postage prepaid, or given by electronic communication in compliance with the provisions of the General Corporation Law, to each record holder of Series Preferred Stock. Upon receipt of such notice, each holder of shares of Series Preferred Stock shall surrender his, her or its certificate or certificates for all such or any portion of such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice, and shall thereafter receive certificates for the number of shares of Common Stock to which such holder is entitled pursuant to this Section 5. On a Mandatory Conversion Date, all (in the case of a full mandatory conversion), or the appropriate number of (in the case of a partial mandatory conversion), outstanding shares of Series Preferred Stock shall be deemed to have been converted into shares of Common Stock, which shall be deemed to be outstanding of record, and all rights with respect to the Series Preferred Stock so converted, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate, except for the rights of the holders thereof, upon surrender of their certificate or certificates therefor (or lost certificate affidavit and agreement), to receive the items provided for in the last sentence of this Subsection 5(b). If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. As soon as practicable after a Mandatory Conversion Date and the surrender of the certificate or certificates (or lost certificate affidavit and agreement) for Series Preferred Stock, the Corporation shall issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, together with cash as provided in Subsection 4(b) in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends (but not any undeclared Accruing Dividends on the shares of Series Preferred Stock so converted).

c. All certificates evidencing shares of Series Preferred Stock which are required to be surrendered for conversion in accordance with the provisions hereof shall, from and after a Mandatory Conversion Date, be deemed to have been retired and cancelled and the shares of Series Preferred Stock represented thereby converted into Common Stock for all purposes, notwithstanding the failure of the holder or holders thereof to surrender such certificates on or prior to such date. Such converted Series Preferred Stock may not be reissued as shares of such Series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series Preferred Stock accordingly.

6. Redemption.

Except as set forth in this Section 6, the Corporation shall not have the right to call or redeem at any time all or any shares of Series Preferred Stock. Shares of (i) Series A Preferred Stock shall be redeemed by the Corporation out of funds lawfully available therefor at a per share price equal to $1.00 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding), plus any Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon (the “Series A

Redemption Price"), (ii) Series B Preferred Stock shall be redeemed by the Corporation out of funds lawfully available therefor at a per share price equal to \$2.47 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding), plus any Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon (the "Series B Redemption Price"), (iii) Series C Preferred Stock shall be redeemed by the Corporation out of funds lawfully available therefor at a per share price equal to \$8.05 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding), plus any Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon (the "Series C Redemption Price,") and (iv) Series D Preferred Stock shall be redeemed by the Corporation out of funds lawfully available therefor at a per share price equal to \$5.1817 per share (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting the number of such shares issued and outstanding), plus any Accruing Dividends accrued but unpaid thereon, whether or not declared, together with any other dividends declared but unpaid thereon (the "Series D Redemption Price," and together with the Series A Redemption Price, the Series B Redemption Price and the Series C Redemption Price, individually or collectively, as applicable, the "Applicable Redemption Price"), in three annual installments commencing 60 days after receipt by the Corporation of written notice from the holders of greater than fifty percent (50%) of the then outstanding shares of Series Preferred Stock, voting together as a single class, requesting redemption of all shares of Series Preferred Stock, which notice may be delivered at any time following March 25, 2015 (the date of each such installment being referred to as a "Redemption Date"). On each Redemption Date, the Corporation shall redeem, (i) on a pro rata basis in accordance with the number of shares of Series A Preferred Stock owned by each holder, that number of outstanding shares of Series A Preferred Stock determined by dividing (A) the total number of shares of Series A Preferred Stock outstanding immediately prior to such Redemption Date by (B) the number of remaining Redemption Dates (including the Redemption Date to which such calculation applies), (ii) on a pro rata basis in accordance with the number of shares of Series B Preferred Stock owned by each holder, that number of outstanding shares of Series B Preferred Stock determined by dividing (A) the total number of shares of Series B Preferred Stock outstanding immediately prior to such Redemption Date by (B) the number of remaining Redemption Dates (including the Redemption Date to which such calculation applies), (iii) on a pro rata basis in accordance with the number of shares of Series C Preferred Stock owned by each holder, that number of outstanding shares of Series C Preferred Stock determined by dividing (A) the total number of shares of Series C Preferred Stock outstanding immediately prior to such Redemption Date by (B) the number of remaining Redemption Dates (including the Redemption Date to which such calculation applies) and (iv) on a pro rata basis in accordance with the number of shares of Series D Preferred Stock owned by each holder, that number of outstanding shares of Series D Preferred Stock determined by dividing (A) the total number of shares of Series D Preferred Stock outstanding immediately prior to such Redemption Date by (B) the number of remaining Redemption Dates (including the Redemption Date to which such calculation applies).

If the Corporation does not have sufficient funds legally available to redeem on any Redemption Date all shares of Series Preferred Stock and of any other class or series of stock to be redeemed on such Redemption Date, the Corporation shall redeem a pro rata portion of each holder's redeemable shares of such stock out of funds legally available therefor, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the legally available funds were sufficient to redeem all such shares, and shall redeem the remaining shares to have been redeemed as soon as practicable after the Corporation has funds legally available therefor. Notwithstanding anything to the contrary set forth herein, any holder of Series Preferred Stock may waive its right to have all or any portion of its shares of Series Preferred Stock redeemed on a Redemption Date.

a. Redemption Notice. Written notice of the mandatory redemption (the "Redemption Notice") shall be mailed, postage prepaid, to each holder of record of Series Preferred Stock, at its post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, not less than 40 days prior to each Redemption Date. Each Redemption Notice shall state:

I. the number of shares of Series Preferred Stock held by the holder that the Corporation shall redeem on the Redemption Date specified in the Redemption Notice;

II. the Redemption Date and the Applicable Redemption Price;

III. the date upon which the holder's right to convert such shares terminates (as determined in accordance with Subsection 4(a)); and

IV. that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Series Preferred Stock to be redeemed.

b. Surrender of Certificates; Payment. On or before the applicable Redemption Date, each holder of shares of Series Preferred Stock to be redeemed on such Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4 hereof, shall surrender the certificate or certificates representing such shares to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Applicable Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof, and each surrendered certificate shall be cancelled and retired. In the event less than all of the shares of Series Preferred Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Series Preferred Stock shall promptly be issued to such holder.

c. Rights Subsequent to Redemption. If the Redemption Notice shall have been duly given, and if on the applicable Redemption Date the Applicable Redemption Price payable upon redemption of the shares of Series Preferred Stock to be redeemed on such Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor, then notwithstanding that the certificates evidencing any of the shares of Series Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Series Preferred Stock shall cease to accrue after such Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except for the right of the holders to receive the Applicable Redemption Price without interest upon surrender of their certificate or certificates therefor.

d. Redeemed or Otherwise Acquired Shares. Any shares of Series Preferred Stock which are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Series Preferred Stock following redemption.

7. Waiver. Holders of greater than fifty percent (50%) of the then-outstanding shares of Series Preferred Stock, voting together as a single class, may waive, in any instance and for any reason, any of the rights, preferences and privileges applicable to the Series Preferred Stock.

C. 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

Effective from and after the mandatory conversion of all outstanding shares of Pre-IPO Preferred pursuant to Section 5 of Part B of Article IV of this Certificate of Incorporation (the time at which such mandatory conversion occurs being referred to herein as the “Mandatory Conversion Time”):

1. 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 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

A. Before and after the Mandatory Conversion Time:

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.

B. Effective from and after the Mandatory Conversion Time:

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, as nearly equal in number as reasonably possible. The initial Class I Directors of the Corporation shall be Deborah Besemer, Scott Kurnit and David Orfao; the initial Class II Directors of the Corporation shall be James Breyer and David Mendels; and the initial Class III Directors of the Corporation shall be Jeremy Allaire and Elizabeth Nelson. The initial Class I Directors shall serve for a term expiring at the annual meeting of stockholders to be held in 2013, the initial Class II Directors shall serve for a term expiring at the annual meeting of stockholders to be held in 2014, and the initial Class III Directors shall serve for a term expiring at the annual meeting of stockholders to be held in 2015. 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 with 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.

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

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 IX

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. Effective from and after the Mandatory Conversion Time, 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 V, Article VI, Article VII, Article VIII or Article IX of this Certificate.

ARTICLE X

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 DGCL, Certificate of Incorporation or the 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 X.

[End of Text]

THIS TENTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION is executed as of this day of February, 2012.

BRIGHTCOVE INC.

By: ______________________________

Jeremy Allaire
Chief Executive Officer

EXHIBIT 3.2

ELEVENTH AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

BRIGHTCOVE INC.

Brightcove 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 Brightcove Inc. The date of the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was August 24, 2004 (the "Original Certificate"). The name under which the Corporation filed the Original Certificate was Video Marketplace, Inc.

2. This Eleventh Amended and Restated Certificate of Incorporation (the "Certificate") amends, restates and integrates the provisions of the Tenth Amended and Restated Certificate of Incorporation that was filed with the Secretary of State of the State of Delaware on February , 2012 (the "Amended and Restated 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 Amended and Restated 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 Brightcove Inc.

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is c/o The Corporation Trust Company, 1209 Orange Street in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which 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 one hundred and five million (105,000,000), of which (i) one hundred million (100,000,000) shares shall be a class designated as common stock, par value $0.001 per share (the "Common Stock"), and (ii) five million (5,000,000) shares shall be a class designated as undesignated preferred stock, par value $0.001 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 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. 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 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 Deborah Besemer, Scott Kurnit and David Orfao; the initial Class II Directors of the Corporation shall be James Breyer and David Mendels; and the initial Class III Directors of the Corporation shall be Jeremy Allaire and Elizabeth Nelson. The initial Class I Directors shall serve for a term expiring at the annual meeting of stockholders to be held in 2013, the initial Class II Directors shall serve for a term expiring at the annual meeting of stockholders to be held in 2014, and the initial Class III Directors shall serve for a term expiring at the annual meeting of stockholders to be held in 2015. 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 with 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.

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 DGCL, Certificate of Incorporation or the 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 V, Article VI, Article VII, Article VIII, Article IX or Article X of this Certificate.

[End of Text]

THIS ELEVENTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION is executed as of this   day of   , 2012.

BRIGHTCOVE INC.

By: ______________________________

Jeremy Allaire
Chief Executive Officer

EXHIBIT 3.3

AMENDED AND RESTATED

BY-LAWS

OF

BRIGHTCOVE INC.

(the “Corporation”)

ARTICLE I

Stockholders

SECTION 1. Annual Meeting. The annual meeting of stockholders (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 also shall be deemed to 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 Rule 14a-11 (or any successor rules) 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 or in accordance with Rule 14a-11 under the Exchange Act 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 nominations or proposals included in the Corporation's proxy statement pursuant to Rule 14a-8 or Rule 14a-11 (or any successor rules), as applicable, under the Exchange Act and, to the extent required by such rule, have such nominations or 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 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 General Corporation Law of the State of Delaware ("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 Chairman 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 Chairman of the Board or the Chairman 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 Chairman of the Board, if one is elected, 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 Chairman of the Board, if one is elected, 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 Chairman of the Board, if one is elected, or the President or such other officer designated by the Chairman of the Board, if one is elected, or the 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 Chairman 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 Chairman 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 Chairman 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 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 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. Chairman of the Board. The Chairman 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 Chairman of the Board, 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 distributes 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 Chairman 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 Chairman of the Board, if one is elected, 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 [,] and effective as of [,].

EXHIBIT 4.1

BRIGHTCOVE INC.

NUMBER

BC

SHARES

INCORPORATED UNDER THE LAWS
OF THE STATE OF DELAWARE

SEE REVERSE FOR CERTAIN DEFINITIONS
CUSIP 10921T 10 1

This Certifies that

is the owner of

FULLY PAID AND NONASSESSABLE SHARES OF COMMON STOCK, $0.001 PAR VALUE, OF

BRIGHTCOVE INC.

transferable only on the books of this Corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

IN WITNESS WHEREOF the said Corporation has caused this Certificate to be endorsed by the facsimile signatures of its duly authorized officers and to be sealed with the facsimile seal of the Corporation.

Dated:

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

COUNTERSIGNED AND REGISTERED:
CONTINENTAL STOCK TRANSFER & TRUST COMPANY
TRANSFER AGENT AND REGISTRAR

BY

AUTHORIZED OFFICER

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common

TEN ENT – as tenants by the entireties

JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT– ____________ Custodian ____________
(Cust) (Minor)
under Uniform Gifts to Minors
Act ________________
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

____
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

____

____

____ Shares
of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

____ Attorney
to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated ______________________________

X ______________________________

X ______________________________

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed

By ______________________________
THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

EXHIBIT 5.1

February 6, 2012

Brightcove Inc.
One Cambridge Center
Cambridge, MA 02142

Re: Securities Registered under Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as counsel to you in connection with your filing of a Registration Statement on Form S-1 (File No. 333- 176444) (as amended or supplemented, the “Registration Statement”) pursuant to the Securities Act of 1933, as amended (the “Securities Act”), relating to the registration of the offering by Brightcove Inc., a Delaware corporation (the “Company”) of up to 5,750,000 shares (the “Shares”) of the Company’s Common Stock, $0.001 par value per share, including Shares purchasable by the underwriters upon their exercise of an over-allotment option granted to the underwriters by the Company. The Shares are being sold to the several underwriters named in, and pursuant to, an underwriting agreement among the Company and such underwriters (the “Underwriting Agreement”).

We have reviewed such documents and made such examination of law as we have deemed appropriate to give the opinions set forth below. We have relied, without independent verification, on certificates of public officials and, as to matters of fact material to the opinions set forth below, on certificates of officers of the Company.

The opinion set forth below is limited to the Delaware General Corporation Law (which includes reported judicial decisions interpreting the Delaware General Corporation Law).

Based on the foregoing, we are of the opinion that the Shares have been duly authorized and, upon issuance and delivery against payment therefor in accordance with the terms of the Underwriting Agreement, will be validly issued, fully paid and non-assessable.

We hereby consent to the inclusion of this opinion as Exhibit 5.1 to the Registration Statement and to the references to our firm under the caption “Legal Matters” in the Registration Statement. In giving our consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations thereunder.

Very truly yours,

/s/ GOODWIN PROCTER LLP

GOODWIN PROCTER LLP

EXHIBIT 10.1

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of by and between Brightcove 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 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 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, prudent and necessary 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 Certificate of Incorporation (the "Charter") and 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.][1]

[1] This recital should be included if the Indemnitee is affiliated with a fund or other entity that provides indemnification to the Indemnitee.

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 or 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 immediately prior to such transaction do not own a majority of the outstanding voting power 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 or entity, or (iv) any other transaction in which the owners of the Company’s outstanding voting power 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 or 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.

(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 or 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 a director or 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.

(h) "Stock" means the Common Stock, par value $0.001 per share, of the Company.

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)][2];

(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 Section 304 of SOX or 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 (which shall include invoices received by Indemnitee in connection with such 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) from time to time, whether prior to or after final

[2] Included if the Indemnitee is affiliated with a fund or other entity that provides indemnification to the Indemnitee.

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 reasonable 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; (iii) if there are no disinterested directors or if the disinterested directors so direct, by Independent Counsel in a written opinion to the Board; or (iv) if so directed by the Board, by the stockholders of the Company. For purposes hereof, disinterested directors are those members of the Board who are not parties to the action, suit or proceeding in respect of which indemnification is sought. 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. Neither (i) the failure of the Company or of Independent Counsel to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company or by Independent Counsel that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(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 (which shall include any invoices received by Indemnitee 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) 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. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such 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).][3]

(d) [Except as provided in paragraph (c) above,][4] [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,][5] [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 or officer of the Company 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

3 Included if the Indemnitee is affiliated with a fund or other entity that provides indemnification to the Indemnitee.
4 Included if the Indemnitee is affiliated with a fund or other entity that provides indemnification to the Indemnitee.
5 Included if the Indemnitee is affiliated with a fund or other entity that provides indemnification to the Indemnitee.

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 or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or 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:

Brightcove Inc.
One Cambridge Center
Cambridge, MA 02142
Attention: Chief Legal Officer

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 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.

BRIGHTCOVE INC.

By: ______________________________

Name:

Title:

____

[Name of Indemnitee]

EXHIBIT 10.3

BRIGHTCOVE, INC.

2012 STOCK INCENTIVE PLAN

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the Brightcove, Inc. 2012 Stock Incentive Plan (the "Plan"). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and certain other key persons (including prospective employees but excluding consultants) of Brightcove, Inc. (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. 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 and Performance Share Awards.

"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.

"Covered Employee" means an employee who is a "Covered Employee" within the meaning of Section 162(m) of the Code.

"Effective Date" means the date on which the Plan is approved by stockholders as set forth in Section 20.

"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 fully 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) and may also be applied on a project and/or geographic basis that will be used to establish Performance Goals are limited to the following: 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, corporate 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, stockholder returns, return on sales, gross or net profit levels, productivity, expense, margins, leverage or credit ratings, operating efficiency, customer satisfaction, working capital, earnings (loss) per share of Stock, production and sales volumes or market shares and number of customers, non-GAAP financial measures, or the achievement of key business development, marketing, research, product development, regulatory, public and government affairs milestones, acquisitions and/or divestitures, joint ventures and strategic alliances, 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.

"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. 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.

"Restricted Stock Award" means an Award entitling the recipient to acquire, at such purchase price (which may be zero) as determined by the Administrator, shares of Stock subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"Restricted Stock Units" means an Award of phantom stock units to a grantee.

"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 immediately prior to such transaction do not own a majority of the outstanding voting power 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 or entity, or (iv) any other transaction in which the owners of the Company's outstanding voting power 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 $0.001 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 or cash 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, provided that the amount, timing and terms of the grants of Awards to Non-Employee Directors shall be determined by the compensation committee or similar committee comprised solely of Non-Employee Directors.

(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 and Performance Share Awards, 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 provided that the Administrator generally shall not exercise such discretion to accelerate Awards subject to Sections 7 and 8 except in the event of the grantee’s death, disability or retirement, or a change in control (including a Sale Event);

(vi) subject to the provisions of Section 5(b), 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 Options. 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 Options 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 Options 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 1,824,703 shares (the "Initial Limit"), subject to adjustment as provided in Section 3(b), plus on the first January 1 following the Company's Initial Public Offering and each January 1 thereafter, the number of shares of Stock reserved and available for issuance under the Plan shall be cumulatively increased by 4 percent of the number of shares of Stock issued and outstanding on the immediately preceding December 31 (the "Annual Increase"), subject to adjustment as provided in Section 3(b). Notwithstanding the foregoing, if the Company's overhang exceeds 30% on any December 31, then the Annual Increase shall not be made on the immediately following January 1. 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 500,000 shares of Stock may be granted to any one individual grantee during any one calendar year period, and no more than 1,824,703 shares of the Stock may be issued in the form of Incentive Stock Options. 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) 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 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.

(c) 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 shall 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, all Options and Stock Appreciation Rights that are not exercisable immediately prior to the effective time of the Sale Event shall become fully exercisable as of the effective time of the Sale Event, all other Awards with time-based vesting, conditions or restrictions shall become fully vested and nonforfeitable as of the effective time of the Sale Event and all Awards with conditions and restrictions relating to the attainment of performance goals may become vested and nonforfeitable in connection with a Sale Event in the Administrator's discretion, and 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 held by such grantee.

(d) Substitute Awards. The Administrator may grant Awards under the Plan in substitution for stock and stock based awards held by employees, directors or other key persons of another corporation in connection with the merger or consolidation of the employing corporation with the Company or a Subsidiary or the acquisition by the Company or a Subsidiary of property or stock of the employing corporation. The Administrator may direct that the substitute awards be granted on such terms and conditions as the Administrator considers appropriate in the circumstances. Any substitute Awards granted under the Plan shall not count against the share limitation set forth in Section 3(a).

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, Non-Employee Directors and certain key persons (including prospective employees but excluding 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

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.

(a) 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.

(b) 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.

(c) 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.

(d) 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 to the extent 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) of shares of Stock that have been purchased by the optionee on the open market or that have been beneficially owned by the optionee for at least six months and 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 Administrator 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.

(e) 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) 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.

(b) 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.

(c) 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. Stock Appreciation Rights may be settled in shares of Stock, or cash, as determined by the Administrator and set forth in the Award Agreement.

SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator 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) 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 Stock, subject to such conditions contained in the Restricted Stock Award Certificate. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Stock 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 Stock are vested as provided in Section 7(d) below, and (ii) certificated Restricted Stock shall remain in the possession of the Company until such Restricted Stock is 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 Stock 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 17 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 Stock that has 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 unvested Restricted Stock that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Stock. 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 Stock 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 Stock and shall be deemed "vested." Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 17 below, in writing after the Award is issued, a grantee's rights in any shares of Restricted Stock that have not vested shall automatically terminate upon the grantee's termination of employment (or other service relationship) with the Company and its Subsidiaries and such shares shall be subject to the provisions of Section 7(c) above.

SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Administrator shall determine the restrictions and conditions applicable to each Restricted Stock Unit 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. At the end of the deferral period, the Restricted Stock Units, to the extent vested, shall be settled in the form of shares of Stock. To the extent that an award of Restricted Stock Units is subject to Section 409A, it may contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order for such Award 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 his Restricted Stock Units.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Certificate or, subject to Section 17 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, in its sole discretion, grant (or sell at par value or such higher purchase price determined by the Administrator) 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 10. CASH-BASED AWARDS

Grant of Cash-Based Awards. The Administrator may, in its sole discretion, grant Cash-Based Awards to any grantee in such number or amount and upon such terms, and subject to such conditions, as the Administrator shall determine at the time of grant. 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 or in shares of Stock, as the Administrator determines.

SECTION 11. PERFORMANCE SHARE AWARDS

(a) Nature of Performance Share Awards. The Administrator may, in its sole discretion, grant Performance Share Awards independent of, or in connection with, the granting of any other Award under the Plan. 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, 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 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 17 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. Any employee or other key person providing services to the Company and who is selected by the Administrator may be granted 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. The Administrator, in its discretion, may adjust or modify the calculation of Performance Goals for such Performance Cycle in order to prevent the dilution or enlargement of the rights of an individual (i) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development, (ii) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or (iii) in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions provided however, that the Administrator may not exercise such discretion in a manner that would increase the Performance-Based Award granted to a Covered Employee. 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, and, in doing so, may reduce or eliminate the amount of the Performance-Based Award for a Covered Employee if, in its sole judgment, such reduction or elimination is appropriate.

(d) Maximum Award Payable. The maximum Performance-Based Award payable to any one Covered Employee under the Plan for a Performance Cycle is 500,000 shares of Stock (subject to adjustment as provided in Section 3(b) hereof) or $3,000,000 in the case of a Performance-Based Award that is a Cash-Based Award.

SECTION 13. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 13(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 13(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 Awards (other than any Incentive Stock Options or Restricted Stock Units) 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 13(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. 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 14. 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.

SECTION 15. 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 16. TRANSFER, LEAVE OF ABSENCE, ETC.

For purposes of the Plan, the following events shall not be deemed a termination of employment:

(a) 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

(b) 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 17. 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(b) or 3(c), 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 17 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(b) or 3(c).

SECTION 18. 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 19. 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 19(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) Forfeiture of Awards under Sarbanes-Oxley Act. If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, then any grantee who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002 shall reimburse the Company for the amount of any Award received by such individual under the Plan during the 12-month period following the first public issuance or filing with the United States Securities and Exchange Commission, as the case may be, of the financial document embodying such financial reporting requirement.

SECTION 20. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon stockholder approval in accordance with applicable state law, the Company's bylaws and articles of incorporation, and applicable stock exchange rules or pursuant to written consent. 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 21. 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:

EXHIBIT 10.4

INCENTIVE STOCK OPTION AGREEMENT
UNDER THE BRIGHTCOVE INC.
2012 STOCK INCENTIVE PLAN

Name of Optionee: ____

No. of Option Shares: ______________________

Option Exercise Price per Share: $

Grant Date: ______________________

Expiration Date: ______________________

Pursuant to the Brightcove Inc. 2012 Stock Incentive Plan as amended through the date hereof (the "Plan"), Brightcove 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 $0.001 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. 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.

BRIGHTCOVE INC.

By: ________________________________
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: ____________________

____
Optionee’s Signature

Optionee’s name and address:

____

____

____

EXHIBIT 10.5

NON-QUALIFIED STOCK OPTION AGREEMENT
FOR COMPANY EMPLOYEES
UNDER THE BRIGHTCOVE INC.
2012 STOCK INCENTIVE PLAN

Name of Optionee: ______________________________

No. of Option Shares: ________________

Option Exercise Price per Share: $

Grant Date: ________________

Expiration Date: ________________

Pursuant to the Brightcove Inc. 2012 Stock Incentive Plan as amended through the date hereof (the "Plan"), Brightcove 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 $0.001 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. 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.

BRIGHTCOVE INC.

By: ______________________________
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: ____________________

____
Optionee’s Signature

Optionee’s name and address:

____

____

____

EXHIBIT 10.14

Brightcove Inc.

Non-Employee Director Compensation Policy

The purpose of this Director Compensation Policy of Brightcove 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. In furtherance of the purpose stated above, all non-employee directors, other than any such directors who were designated as representatives of General Catalyst Partners, Accel Partners and their respective affiliates prior to the Company's initial public offering and who are currently serving in such representative capacity (the "Fund Directors"), shall be paid compensation for services provided to the Company as set forth below. The Fund Directors shall not be eligible for the cash retainers or equity retainers set forth below.

Cash Retainers

Annual Retainer for Board Membership: $25,000 for general availability and participation in meetings and conference calls of our Board of Directors, to be paid quarterly.

Additional Retainers for Committee Membership:

Audit Committee Chairperson:	$10,000
Audit Committee member:	$ 5,000
Compensation Committee Chairperson:	$ 7,500
Compensation Committee member:	$ 3,500
Nominating and Corporate Governance Committee Chairperson:	$ 5,000
Nominating and Corporate Governance Committee member:	$ 2,000

Equity Retainers

Upon initial election to the Board: Each new non-employee director who is first elected to the Board effective as of or subsequent to the Company's initial public offering will receive an initial equity grant of .060% stock options on a fully diluted basis to purchase shares of common stock, issued with an exercise price equal to the fair market value, that vests quarterly over three years, provided, however, that all vesting ceases if the board member resigns from our Board of Directors or otherwise ceases to serve as a director, unless the Board of Directors determines that the circumstances warrant continuation of vesting. The shares underlying the initial grant of stock options made to any non-employee director who is first elected to the Board of Directors as of or subsequent to the Company's initial public offering may not be sold while he/she remains a Board member.

On the date of the Company's Annual Meeting of Stockholders: Each continuing non-employee member of the Board who has served as a director for at least the six months prior to the Company's Annual Meeting of Stockholders will receive an annual equity grant of 0.030% stock options on a fully diluted basis to purchase shares of common stock, issued with an exercise price equal to the fair market value, that vests quarterly over three years, provided, however, that all vesting ceases if the director resigns from our Board of Directors or otherwise ceases to serve as a director, unless the Board of Directors determines that the circumstances warrant continuation of vesting.

Expenses

The Company will reimburse all reasonable out-of-pocket expenses incurred by non-employee directors, including Fund Directors, in attending meetings of the Board or any Committee.

EXHIBIT 10.15

BRIGHTCOVE INC.

SENIOR EXECUTIVE INCENTIVE BONUS PLAN

1. Purpose

This Senior Executive Incentive Bonus Plan (the "Incentive Plan") is intended to provide an incentive for superior work and to motivate eligible executives of Brightcove 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 the Plan does not change the "at will" nature of a Covered Executive's employment of 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) A Covered Executive may receive a bonus payment under the Incentive Plan based upon the attainment of one or more performance objectives which are established by the Compensation Committee and relate to financial and operational metrics with respect to the Company (or any of its subsidiaries), any of which may be measured absolutely or by reference to an index and/or determined either on a consolidated basis or a divisional, project and/or geographic basis, (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; margins; leverage or credit ratings; operating efficiency; customer satisfaction; working capital; earnings (loss) per share of the Company's common stock; production and sales volumes or market shares and number of customers; any of which may be measured either in absolute terms or as compared to any incremental increase; non-GAAP financial measures; or the achievement of key business development, marketing, research, product development, regulatory, public and government affairs milestones; acquisitions and/or divestitures, joint ventures and strategic alliances. 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."

(b) Except as otherwise set forth in this Section 4(b): (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 objectives. Notwithstanding the foregoing, the Company may adjust bonuses payable under the Incentive Plan based on achievement of individual performance goals or pay bonuses (including, without limitation, discretionary bonuses) to Covered Executives under the Incentive Plan based upon such other terms and conditions as the Compensation Committee may in its discretion determine.

(c) Each Covered Executive shall have a targeted bonus opportunity for each performance period. For each Covered Executive, the Compensation Committee shall have the authority to apportion the annual target award so that a portion of the annual target award shall be tied to attainment of corporate performance targets and a portion of the target award shall be tied to attainment of other (i.e., milestone objectives, individual objectives, etc.) performance targets.

(d) Subject to the rights contained in any 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 date on which the bonus is paid; provided, however, that the Compensation Committee may pay a pro rated bonus (to the extent the relevant goals are met) to a Covered Executive (i) whose employment with the Company is terminated without cause after completing nine or more months of service in the fiscal year in which such termination occurs or (ii) who first became eligible to participate in the Incentive Plan after the beginning of the fiscal year but who completed nine or more months of service in such fiscal year, and in the case of (i) and (ii) with any such pro rated bonus to be paid in accordance with Section 5 hereof.

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 quarter(s) have been published. If the Corporate Performance Goals and or other goals for such period are met, payments will be made as soon as practicable following the end of such period, but not later than December 31 of the subsequent calendar year. For the avoidance of doubt, bonuses earned at any time in year 1 must be paid by December 31 of year 2.

(b) With respect to Corporate Performance Goals established and measured on an annual basis, Corporate Performance Goals will be measured at the end of each fiscal year after the Company's financial reports have been published. If the Corporate Performance Goals and/or other goals for any fiscal year are met, bonus payments will be made as soon as practicable, but not later than December 31 of the subsequent year.

6. Clawback

If the Company terminates the service relationship of a Covered Executive due to such Covered Executive being found guilty of, or entering a guilty plea or “no contest” plea to, any crime involving fraud (whether or not such termination constitutes a termination for cause), any bonus granted under this Incentive Plan to such Covered Executive during the period during which such fraud occurred shall be subject to forfeiture, recovery and “clawback” by the Company.

7. Amendment and Termination

The Company reserves the right to amend or terminate the Incentive Plan at any time in its sole discretion.

EXHIBIT 10.16

RESTRICTED STOCK AWARD AGREEMENT
UNDER THE BRIGHTCOVE INC.
2012 STOCK INCENTIVE PLAN

Name of Grantee: ______________________________

No. of Shares: ________________

Grant Date: ________________

Pursuant to the Brightcove Inc. 2012 Stock Incentive Plan (the "Plan") as amended through the date hereof, Brightcove 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 $0.001 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. 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.

BRIGHTCOVE INC.

By: ________________________________
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: ________________________

____
Grantee’s Signature

Grantee’s name and address:

____

____

____

EXHIBIT 10.17

RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR COMPANY EMPLOYEES
UNDER THE BRIGHTCOVE INC.
2012 STOCK INCENTIVE PLAN

Name of Grantee: ____

No. of Restricted Stock Units: ________________________

Grant Date: ________________________

Pursuant to the Brightcove Inc. 2012 Stock Incentive Plan as amended through the date hereof (the "Plan"), Brightcove 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 $0.001 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. 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.

BRIGHTCOVE INC.

By: ______________________________

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: ____________________

____

Grantee’s Signature

Grantee’s name and address:

____

____

____

EXHIBIT 10.18

RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR NON-EMPLOYEE DIRECTORS
UNDER THE BRIGHTCOVE INC.
2012 STOCK INCENTIVE PLAN

Name of Grantee: ______________________________

No. of Restricted Stock Units: ______________

Grant Date: ______________

Pursuant to the Brightcove Inc. 2012 Stock Incentive Plan as amended through the date hereof (the "Plan"), Brightcove 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 $0.001 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. 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.

BRIGHTCOVE INC.

By: ______________________________

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: ____________________

____

Grantee's Signature

Grantee's name and address:

____

____

____

EXHIBIT 10.19

**NON-QUALIFIED STOCK OPTION AGREEMENT
FOR NON-EMPLOYEE DIRECTORS
UNDER THE BRIGHTCOVE INC.
2012 STOCK INCENTIVE PLAN**

Name of Optionee: ____________________________________

No. of Option Shares: ____________________

Option Exercise Price per Share: $

Grant Date: ____________________

Expiration Date: ____________________

Pursuant to the Brightcove Inc. 2012 Stock Incentive Plan as amended through the date hereof (the "Plan"), Brightcove 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 $0.001 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. 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.

BRIGHTCOVE INC.

By: ______________________________
Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: ________________________

____
Optionee’s Signature

Optionee’s name and address:

____

____

____

Exhibit 16.1

February 6, 2012

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We have read the statements made by Brightcove Inc. (copy attached), which we understand have been filed with the Securities and Exchange Commission, pursuant to Item 304 of Regulation S-K, as part of the “Change in Independent Registered Public Accounting Firm” disclosures in the Form S-1 of Brightcove Inc. We agree with the statements concerning our Firm in such Form S-1.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated February 6, 2012, in Amendment No. 5 to the Registration Statement (Form S-1 No. 333-176444) and related Prospectus of Brightcove Inc. for the registration of 5,750,000 shares of its common stock.

/s/ Ernst & Young LLP

Boston, Massachusetts
February 6, 2012

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Amendment No. 5 to the Registration Statement on Form S-1 (No. 333-176444) of Brightcove Inc. our report dated June 10, 2010, except Note 12 to the consolidated financial statements and the net loss per share information included in Note 2 and the consolidated statements of operations, as to which the date is August 23, 2011, and except for the effects of the stock split discussed in Note 14, as to which the date is February 6, 2012, relating to the financial statements of Brightcove Inc. which appears in such Registration Statement. We also consent to the reference to us in the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 6, 2012