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

Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2014

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File No. 001-33202

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

Maryland	**52-1990078**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1020 Hull Street Baltimore, Maryland 21230	**(410) 454-6428**
(Address of principal executive offices) (Zip Code)	**(Registrant's Telephone Number, Including Area Code)**

Securities registered pursuant to Section 12(b) of the Act:

Class A Common Stock	**New York Stock Exchange**
(Title of each class)	**(Name of each exchange on which registered)**

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes ☑ No ☐

Indicate by check mark if the disclosure of delinquent filers pursuant to Item 405 or Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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 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 ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

As of June 30, 2014, the last business day of our most recently completed second fiscal quarter, the aggregate market value of the registrant's Class A Common Stock held by non-affiliates was $10,314,358,804.

As of January 31, 2015, there were 177,312,580 shares of Class A Common Stock and 36,600,000 shares of Class B Convertible Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Under Armour, Inc.'s Proxy Statement for the Annual Meeting of Stockholders to be held on April 29, 2015 are incorporated by reference in Part III of this Form 10-K.

UNDER ARMOUR, INC.

ANNUAL REPORT ON FORM 10-K
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PART I

ITEM 1. BUSINESS

General

Our principal business activities are the development, marketing and distribution of branded performance apparel, footwear and accessories for men, women and youth. The brand's moisture-wicking fabrications are engineered in many designs and styles for wear in nearly every climate to provide a performance alternative to traditional products. Our products are sold worldwide and are worn by athletes at all levels, from youth to professional, on playing fields around the globe, as well as by consumers with active lifestyles.

Our net revenues are generated primarily from the wholesale sales of our products to national, regional, independent and specialty retailers. We also generate net revenue from the sale of our products through our direct to consumer sales channel, which includes our brand and factory house stores and websites, and from product licensing. A large majority of our products are sold in North America; however we believe that our products appeal to athletes and consumers with active lifestyles around the globe. Internationally, our net revenues are generated from a mix of wholesale sales to retailers and distributors and sales through our direct to consumer sales channels, and license revenue from sales by our third party licensee. We plan to continue to grow our business over the long term through increased sales of our apparel, footwear and accessories, expansion of our wholesale distribution, growth in our direct to consumer sales channel and expansion in international markets. Virtually all of our products are manufactured by our unaffiliated primary manufacturers operating in 13 countries outside of the United States.

In December 2013, we acquired MapMyFitness, Inc. ("MapMyFitness"), a digital connected fitness company with users primarily in the U.S., and in January 2015, we acquired Endomondo, ApS. ("Endomondo") a digital connected fitness company with over 20 million registered users primarily in Europe and other regions outside the U.S. In February 2015, we entered into an agreement to acquire MyFitnessPal, Inc. ("MyFitnessPal"), a digital nutrition and connected fitness company with over 80 million registered users. Combined with the growth of MapMyFitness, these acquisitions will expand our Connected Fitness Community to include more than 120 million registered users. The acquisition is expected to close in the first quarter of 2015, subject to regulatory approval. These businesses will form the core of our Connected Fitness business and strategy.

Our Connected Fitness strategy is focused on connecting with our consumers and increasing awareness and sales of our existing product offerings through our global wholesale and direct to consumer channels. We plan to engage and grow this community by developing innovative applications, services and other digital solutions to impact how athletes and fitness-minded individuals train, perform and live.

We were incorporated as a Maryland corporation in 1996. As used in this report, the terms "we," "our," "us," "Under Armour" and the "Company" refer to Under Armour, Inc. and its subsidiaries unless the context indicates otherwise. We have registered trademarks around the globe, including UNDER ARMOUR®, HEATGEAR®, COLDGEAR®, ALLSEASONGEAR® and the Under Armour UA Logo, and we have applied to register many other trademarks. This Annual Report on Form 10-K also contains additional trademarks and tradenames of our Company and our subsidiaries. All trademarks and tradenames appearing in this Annual Report on Form 10-K are the property of their respective holders.

Products

Our product offerings consist of apparel, footwear and accessories for men, women and youth. We market our products at multiple price levels and provide consumers with products that we believe are a superior alternative to traditional athletic products. In 2014, sales of apparel, footwear and accessories represented 74%, 14% and 9% of net revenues, respectively. Licensing arrangements, primarily for the sale of our products, and other revenue represented the remaining 3% of net revenues. Refer to Note 16 to the Consolidated Financial Statements for net revenues by product.

Apparel

Our apparel is offered in a variety of styles and fits intended to enhance comfort and mobility, regulate body temperature and improve performance regardless of weather conditions. Our apparel is engineered to replace traditional non-performance fabrics in the world of athletics and fitness with performance alternatives designed and merchandised along gearlines. Our three gearlines are marketed to tell a very simple story about our highly technical products and extend across the sporting goods, outdoor and active lifestyle markets. We market our apparel for consumers to choose HEATGEAR® when it is hot, COLDGEAR® when it is cold and ALLSEASONGEAR® between the extremes. Within each gearline our apparel comes in three primary fit types: compression (tight fit), fitted (athletic fit) and loose (relaxed).

HEATGEAR® is designed to be worn in warm to hot temperatures under equipment or as a single layer. While a sweat-soaked traditional non-performance T-shirt can weigh two to three pounds, HEATGEAR® is engineered with a microfiber blend designed to wick moisture from the body which helps the body stay cool, dry and light. We offer HEATGEAR® in a variety of tops and bottoms in a broad array of colors and styles for wear in the gym or outside in warm weather.

COLDGEAR® is designed to wick moisture from the body while circulating body heat from hot spots to help maintain core body temperature. Our COLDGEAR® apparel provides both dryness and warmth in a single light layer that can be worn beneath a jersey, uniform, protective gear or ski-vest, and our COLDGEAR® outerwear products protect the athlete, as well as the coach and the fan from the outside in. Our COLDGEAR® products generally sell at higher prices than our other gearlines.

ALLSEASONGEAR® is designed to be worn in between extreme temperatures and uses technical fabrics to keep the wearer cool and dry in warmer temperatures while preventing a chill in cooler temperatures.

Footwear

Our footwear offerings include football, baseball, lacrosse, softball and soccer cleats, slides and performance training, running, basketball and outdoor footwear. Our footwear is light, breathable and built with performance attributes for athletes. Our footwear is designed with innovative technologies which provide stabilization, directional cushioning and moisture management engineered to maximize the athlete's comfort and control.

Accessories

Accessories primarily includes the sale of headwear, bags and gloves. Our accessories include HEATGEAR® and COLDGEAR® technologies and are designed with advanced fabrications to provide the same level of performance as our other products.

License and Other

We have agreements with our licensees to develop Under Armour apparel and accessories. Our product, marketing and sales teams are actively involved in all steps of the design process in order to maintain brand standards and consistency. During 2014, our licensees offered socks, team uniforms, baby and kids' apparel, eyewear and inflatable footballs and basketballs that feature performance advantages and functionality similar to our other product offerings.

We also offer digital fitness platform licenses and subscriptions, along with digital advertising through our MapMyFitness business. License and other revenues generated from the sale of apparel and accessories and the use of our MapMyFitness platforms are included in our net revenues.

Marketing and Promotion

We currently focus on marketing and selling our products to consumers primarily for use in athletics, fitness, training and outdoor activities. We seek to drive consumer demand by building brand equity and awareness that our products deliver advantages that help athletes perform better.

Sports Marketing

Our marketing and promotion strategy begins with providing and selling our products to high-performing athletes and teams on the high school, collegiate and professional levels. We execute this strategy through outfitting agreements, professional and collegiate sponsorships, individual athlete agreements and by providing and selling our products directly to team equipment managers and to individual athletes. As a result, our products are seen on the field, giving them exposure to various consumer audiences through the internet, television, magazines and live at sporting events. This exposure to consumers helps us establish on-field authenticity as consumers can see our products being worn by high-performing athletes.

We are the official outfitter of athletic teams in several high-profile collegiate conferences. We are an official supplier of footwear and gloves to the National Football League ("NFL") and we are the official combine scouting partner to the NFL with the right to sell combine training apparel. We are the Official Performance Footwear Supplier of Major League Baseball and a partner with the National Basketball Association ("NBA") which allows us to market our NBA athletes in game uniforms in connection with our basketball footwear.

Internationally, we sponsor and sell our products to European and Latin America soccer and rugby teams. We provide the Tottenham Hotspur Football Club with performance apparel, including training wear and playing kit for the Club's First and Academy teams, together with replica product for the Club's supporters around the world. We are the official technical kit supplier to the Welsh Rugby Union and have exclusive retail rights on the replica products. Beginning in 2014, we became the

official kit supplier of the Chilean football club, Corporación Club Social y Deportivo Colo-Colo, along with Cruz Azul Futbol Club, A.C. and Deportivo Toluca F.C. in Mexico.

We also seek to sponsor events to drive awareness and brand authenticity from a grassroots level. We host combines, camps and clinics for athletes in many sports at regional sites across the country. These events, along with the products we make, are designed to help young athletes improve their training methods and their overall performance. We are also the title sponsor of a collection of high school All-America Games that create significant on-field product and brand exposure that contributes to our on-field authenticity.

Media

We feature our products in a variety of national digital, broadcast, and print media outlets. We also utilize social and mobile media to engage consumers and promote conversation around our brand and our products.

Retail Presentation

The primary component of our retail marketing strategy is to increase and brand floor space dedicated to our products within our major retail accounts. The design and funding of Under Armour concept shops within our major retail accounts has been a key initiative for securing prime floor space, educating the consumer and creating an exciting environment for the consumer to experience our brand. Under Armour concept shops enhance our brand's presentation within our major retail accounts with a shop-in-shop approach, using dedicated floor space exclusively for our products, including flooring, lighting, walls, displays and images.

Sales and Distribution

The majority of our sales are generated through wholesale channels, which include national and regional sporting goods chains, independent and specialty retailers, department store chains, institutional athletic departments and leagues and teams. In addition, we sell our products to independent distributors in various countries where we generally do not have direct sales operations and through licensees.

We also sell our products directly to consumers through our own network of brand and factory house stores in our North America, Latin America and Asia-Pacific operating segments, and through websites globally. These factory house stores serve an important role in our overall inventory management by allowing us to sell a significant portion of excess, discontinued and out-of-season products while maintaining the pricing integrity of our brand in our other distribution channels. Through our brand house stores, consumers experience our brand first-hand and have broader access to our performance products. In 2014, sales through our wholesale, direct to consumer and licensing channels represented 67%, 30% and 3% of net revenues, respectively.

We believe the trend toward performance products is global and plan to continue to introduce our products and simple merchandising story to athletes throughout the world. We are introducing our performance apparel, footwear and accessories outside of North America in a manner consistent with our past brand-building strategy, including selling our products directly to teams and individual athletes in these markets, thereby providing us with product exposure to broad audiences of potential consumers.

Our primary business operates in four geographic segments: (1) North America, comprising the United States and Canada, (2) Europe, the Middle East and Africa ("EMEA"), (3) Asia-Pacific, and (4) Latin America. Each of these geographic segments operate predominantly in one industry: the design, development, marketing and distribution of performance apparel, footwear and accessories. We also operate our MapMyFitness business as a separate segment. As our international and MapMyFitness operating segments are currently not material, we combine them into other foreign countries and businesses for reporting purposes. The following table presents net revenues by segment for each of the years ending December 31, 2014, 2013 and 2012:

	Year ended December 31,					
	2014		2013		2012	
(In thousands)	**Net Revenues**	**% of Net Revenues**	**Net Revenues**	**% of Net Revenues**	**Net Revenues**	**% of Net Revenues**
North America	$ 2,796,390	90.7%	$ 2,193,739	94.1%	$ 1,726,733	94.1%
Other foreign countries and businesses	287,980	9.3	138,312	5.9	108,188	5.9
Total net revenues	$ 3,084,370	100.0%	$ 2,332,051	100.0%	$ 1,834,921	100.0%

North America

North America accounted for approximately 91% of our net revenues for 2014. We sell our branded apparel, footwear and accessories in North America through our wholesale and direct to consumer channels. Net revenues generated from the sales of our products in the United States were $2,651.1 million, $2,082.5 million and $1,650.4 million for the years ended December 31, 2014, 2013 and 2012, respectively, and the majority of our long-lived assets were located in the United States. Our largest customer, Dick's Sporting Goods, accounted for 14.4% of our net revenues in 2014. No other customers accounted for more than 10% of our net revenues.

Our direct to consumer sales are generated through our brand and factory house stores, along with internet websites. As of December 31, 2014, we had 125 factory house stores in North America, of which the majority are located in outlet centers throughout the United States. As of December 31, 2014, we had 5 brand house stores in North America. Consumers can purchase our products directly from our e-commerce website, www.underarmour.com.

In addition, we earn licensing revenue in North America based on our licensees' sale of socks, team uniforms, baby and kids' apparel, eyewear and inflatable footballs and basketballs. In order to maintain consistent quality and performance, we pre-approve all products manufactured and sold by our licensees, and our quality assurance team strives to ensure that the products meet the same quality and compliance standards as the products that we sell directly.

We distribute the majority of our products sold to our North American wholesale customers and our brand and factory house stores from distribution facilities we lease and operate in California and Maryland. In addition, we distribute our products in North America through third-party logistics providers with primary locations in Canada, New Jersey and Florida. In some instances, we arrange to have products shipped from the independent factories that manufacture our products directly to customer-designated facilities.

Other Foreign Countries and Businesses

Approximately 9% of our net revenues were generated outside of North America and through our MapMyFitness business in 2014. We plan to continue to grow our business over the long term in part through expansion in international markets. We also plan to expand our MapMyFitness business to reach more users and continue to develop new services and solutions.

EMEA

We sell our apparel, footwear and accessories through retailers and websites and independent distributors in certain European countries. We sell our branded products to various sports clubs and teams in Europe. We continue to sell the United Kingdom's Tottenham Hotspur Football Club replica product for the club's supporters around the world.

We generally distribute our products to our retail customers and e-commerce consumers in Europe through a third-party logistics provider based out of Venlo, The Netherlands. This agreement continues through April 2017.

Asia-Pacific

We sell our apparel, footwear and accessories products in China through seven brand and two factory house stores we operate, along with stores operated by our distribution partners. We also sell our products to independent distributors in Australia, New Zealand, Taiwan and Hong Kong where we do not have direct sales operations. We distribute our products in Asia-Pacific primarily through a third-party logistics provider based out of Hong Kong.

We have a license agreement with Dome Corporation, which produces, markets and sells our branded apparel, footwear and accessories in Japan and Korea. We are actively involved with this licensee to develop variations of our products for the different sizes, sports interests and preferences of Japanese and Korean consumers. Our branded products are sold in Japan and Korea to large sporting goods retailers, independent specialty stores and professional sports teams, and through Dome-owned retail stores. We hold a cost-based minority investment in Dome Corporation.

Latin America

We sell our products in Chile, Mexico and Brazil through wholesale distributors, website operations and two brand and six factory house stores. In these countries we operate through third-party distribution facilities. In other Latin American countries we sell our products through independent distributors which are sourced through our international distribution hubs in Hong Kong, Jordan and the United States. Prior to 2014, we primarily sold our products in Latin America through an independent distributor in Mexico.

MapMyFitness

In 2013, we began offering digital fitness subscriptions and licenses, along with digital advertising through our MapMyFitness platform. Our MapMyFitness strategy is focused on connecting with our consumers and increasing awareness and sales of our existing product offerings through our global wholesale and direct to consumer channels. We plan to engage and grow this community by developing innovative applications, services and other digital solutions to impact how athletes and fitness-minded individuals train, perform and live.

Seasonality

Historically, we have recognized a majority of our net revenues and a significant portion of our income from operations in the last two quarters of the year, driven primarily by increased sales volume of our products during the fall selling season, including our higher priced cold weather products, along with a larger proportion of higher margin direct to consumer sales. The level of our working capital generally reflects the seasonality and growth in our business. We generally expect inventory, accounts payable and certain accrued expenses to be higher in the second and third quarters in preparation for the fall selling season.

Product Design and Development

Our products are manufactured with technical fabrications produced by third parties and developed in collaboration with our product development teams. This approach enables us to select and create superior, technically advanced fabrics, produced to our specifications, while focusing our product development efforts on design, fit, climate and product end use.

We seek to regularly upgrade and improve our products with the latest in innovative technology while broadening our product offerings. Our goal, to deliver superior performance in all our products, provides our developers and licensees with a clear, overarching direction for the brand and helps them identify new opportunities to create performance products that meet the changing needs of athletes. We design products with “visible technology,” utilizing color, texture and fabrication to enhance our customers’ perception and understanding of product use and benefits.

Our product development team works closely with our sports marketing and sales teams as well as professional and collegiate athletes to identify product trends and determine market needs. For example, these teams worked closely to identify the opportunity and market for our CHARGED COTTON® products, which are made from natural cotton but perform like our synthetic products, drying faster and wicking away moisture from the body, and our Storm Fleece products with a unique, water-resistant finish that repels water, without stifling airflow. In 2013, we introduced ColdGear® Infrared, a ceramic print technology on the inside of our garments that provides athletes with lightweight warmth.

Sourcing, Manufacturing and Quality Assurance

Many of the specialty fabrics and other raw materials used in our products are technically advanced products developed by third parties and may be available, in the short term, from a limited number of sources. The fabric and other raw materials used to manufacture our products are sourced by our manufacturers from a limited number of suppliers pre-approved by us. In 2014, approximately 65% of the fabric used in our products came from five suppliers. These fabric suppliers have primary locations in Taiwan, Singapore, Mexico and El Salvador. The fabrics used by our suppliers and manufacturers are primarily synthetic fabrics and involve raw materials, including petroleum based products that may be subject to price fluctuations and shortages. We also use cotton in our products, as blended fabric and also in our CHARGED COTTON® line. Cotton is a commodity that is subject to price fluctuations and supply shortages.

Substantially all of our products are manufactured by unaffiliated manufacturers. In 2014, our products were manufactured by 29 primary manufacturers, operating in 14 countries, with approximately 65% of our products manufactured in China, Jordan, Vietnam and Indonesia. Of our 29 primary manufacturing partners, ten produced approximately 52% of our products. All manufacturers are evaluated for quality systems, social compliance and financial strength by our quality assurance team prior to being selected and on an ongoing basis. Where appropriate, we strive to qualify multiple manufacturers for particular product types and fabrications. We also seek out vendors that can perform multiple manufacturing stages, such as procuring raw materials and providing finished products, which helps us to control our cost of goods sold. We enter into a variety of agreements with our manufacturers, including non-disclosure and confidentiality agreements, and we require that all of our manufacturers adhere to a code of conduct regarding quality of manufacturing and working conditions and other social concerns. We do not, however, have any long term agreements requiring us to utilize any manufacturer, and no manufacturer is required to produce our products in the long term. We have subsidiaries in Hong Kong, Panama, Vietnam and China to support our manufacturing, quality assurance and sourcing efforts for our products. We also manufacture a limited number of apparel products, primarily for high-profile athletes and teams, on-premises in our quick turn, Special Make-Up Shop located at one of our distribution facilities in Maryland.

Inventory Management

Inventory management is important to the financial condition and operating results of our business. We manage our inventory levels based on existing orders, anticipated sales and the rapid-delivery requirements of our customers. Our inventory strategy is focused on continuing to meet consumer demand while improving our inventory efficiency over the long term by putting systems and processes in place to improve our inventory management. These systems and processes are designed to improve our forecasting and supply planning capabilities. In addition to systems and processes, key areas of focus that we believe will enhance inventory performance are added discipline around the purchasing of product, production lead time reduction, and better planning and execution in selling of excess inventory through our factory house stores and other liquidation channels.

Our practice, and the general practice in the apparel, footwear and accessory industries, is to offer retail customers the right to return defective or improperly shipped merchandise. As it relates to new product introductions, which can often require large initial launch shipments, we commence production before receiving orders for those products from time to time. This can affect our inventory levels as we build pre-launch quantities.

Intellectual Property

We believe we own the material trademarks used in connection with the marketing, distribution and sale of our products, both domestically and internationally, where our products are currently sold or manufactured. Our major trademarks include the UA Logo and UNDER ARMOUR®, both of which are registered in the United States, Canada, Mexico, the European Union, Japan, China and numerous other countries. We also own trademark registrations for other trademarks including, among others, UA®, ARMOUR®, HEATGEAR®, COLDGEAR®, ALLSEASONGEAR®, PROTECT THIS HOUSE®, I WILL®, and many trademarks that incorporate the term ARMOUR such as ARMOUR39®, ARMOURBITE®, ARMOURSTORM®, ARMOUR® FLEECE, and ARMOUR BRA®. We also own domain names for our primary trademarks (most notably underarmour.com and ua.com) and hold copyright registrations for several commercials, as well as for certain artwork. We intend to continue to strategically register, both domestically and internationally, trademarks and copyrights we utilize today and those we develop in the future. We will continue to aggressively police our trademarks and pursue those who infringe, both domestically and internationally.

We believe the distinctive trademarks we use in connection with our products are important in building our brand image and distinguishing our products from those of others. These trademarks are among our most valuable assets. In addition to our distinctive trademarks, we also place significant value on our trade dress, which is the overall image and appearance of our products, and we believe our trade dress helps to distinguish our products in the marketplace.

We traditionally have had limited patent protection on much of the technology, materials and processes used in the manufacture of our products. In addition, patents are increasingly important with respect to our innovative products and new businesses and investments, particularly in our Connected Fitness business. As we continue to expand and drive innovation in our products, we expect to seek patent protection on products, features and concepts we believe to be strategic and important to our business. We will continue to file patent applications where we deem appropriate to protect our new products, innovations and designs, and we expect the number of applications to increase as our business grows and as we continue to expand our products and innovate.

Competition

The market for performance apparel, footwear and accessories is highly competitive and includes many new competitors as well as increased competition from established companies expanding their production and marketing of performance products. Many of the fabrics and technology used in manufacturing our products are not unique to us, and we own a limited number of fabric or process patents. Many of our competitors are large apparel and footwear companies with strong worldwide brand recognition and significantly greater resources than us, such as Nike and adidas. We also compete with other manufacturers, including those specializing in outdoor apparel, and private label offerings of certain retailers, including some of our retail customers.

In addition, we must compete with others for purchasing decisions, as well as limited floor space at retailers. We believe we have been successful in this area because of the relationships we have developed and as a result of the strong sales of our products. However, if retailers earn higher margins from our competitors' products, they may favor the display and sale of those products.

We believe we have been able to compete successfully because of our brand image and recognition, the performance and quality of our products and our selective distribution policies. We also believe our focused gearline merchandising story differentiates us from our competition. In the future we expect to compete for consumer preferences and expect that we may

face greater competition on pricing. This may favor larger competitors with lower production costs per unit that can spread the effect of price discounts across a larger array of products and across a larger customer base than ours. The purchasing decisions of consumers for our products often reflect highly subjective preferences that can be influenced by many factors, including advertising, media, product sponsorships, product improvements and changing styles.

Employees

As of December 31, 2014, we had approximately 10,700 employees, including approximately 7,000 in our brand and factory house stores and 1,260 at our distribution facilities. Approximately 4,300 of our employees were full-time. Most of our employees are located in the United States. None of our employees in the United States are currently covered by a collective bargaining agreement and there are no material collective bargaining agreements in effect in any of our international locations. We have had no labor-related work stoppages, and we believe our relations with our employees are good.

Available Information

We will make available free of charge on or through our website at www.underarmour.com our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we file these materials with the Securities and Exchange Commission. We also post on this website our key corporate governance documents, including our board committee charters, our corporate governance guidelines and our code of conduct and ethics.

ITEM 1A. RISK FACTORS

Forward-Looking Statements

Some of the statements contained in this Form 10-K and the documents incorporated herein by reference constitute forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, such as statements regarding our future financial condition or results of operations, our prospects and strategies for future growth, the development and introduction of new products, and the implementation of our marketing and branding strategies. In many cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “outlook,” “potential” or the negative of these terms or other comparable terminology.

The forward-looking statements contained in this Form 10-K and the documents incorporated herein by reference reflect our current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by these forward-looking statements, including, but not limited to, those factors described in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These factors include without limitation:

- changes in general economic or market conditions that could affect consumer spending and the financial health of our retail customers;
- our ability to effectively manage our growth and a more complex global business;
- our ability to successfully manage or realize expected results from acquisitions and other significant investments;
- our ability to effectively develop and launch new, innovative and updated products;
- our ability to accurately forecast consumer demand for our products and manage our inventory in response to changing demands;
- increased competition causing us to lose market share or reduce the prices of our products or to increase significantly our marketing efforts;
- fluctuations in the costs of our products;
- loss of key suppliers or manufacturers or failure of our suppliers or manufacturers to produce or deliver our products in a timely or cost-effective manner, including due to port disruptions;
- our ability to further expand our business globally and to drive brand awareness and consumer acceptance of our products in other countries;
- our ability to accurately anticipate and respond to seasonal or quarterly fluctuations in our operating results;
- risks related to foreign currency exchange rate fluctuations;
- our ability to effectively market and maintain a positive brand image;
- our ability to comply with trade and other regulations;
- the availability, integration and effective operation of information systems and other technology, as well as any potential interruption in such systems or technology;
- risks related to data security or privacy breaches;
- our potential exposure to litigation and other proceedings; and
- our ability to attract and retain the services of our senior management and key employees.

The forward-looking statements contained in this Form 10-K reflect our views and assumptions only as of the date of this Form 10-K. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

Our results of operations and financial condition could be adversely affected by numerous risks. You should carefully consider the risk factors detailed below in conjunction with the other information contained in this Form 10-K. Should any of these risks actually materialize, our business, financial condition and future prospects could be negatively impacted.

During a downturn in the economy, consumer purchases of discretionary items are affected, which could materially harm our sales, profitability and financial condition.

Many of our products may be considered discretionary items for consumers. Factors affecting the level of consumer spending for such discretionary items include general economic conditions, the availability of consumer credit and consumer confidence in future economic conditions. Uncertainty in global economic conditions continues, and trends in consumer discretionary spending remain unpredictable. However, consumer purchases of discretionary items tend to decline during recessionary periods when disposable income is lower or during other periods of economic instability or uncertainty. A downturn in the economy in markets in which we sell our products may materially harm our sales, profitability and financial condition.

If the financial condition of our retail customers declines, our financial condition and results of operations could be adversely impacted.

We extend credit to our customers based on an assessment of a customer's financial condition, generally without requiring collateral. We face increased risk of order reduction or cancellation when dealing with financially ailing customers or customers struggling with economic uncertainty. During weak economic conditions, retail customers may be more cautious with orders. In addition, a slowing economy in our key markets or a continued decline in consumer purchases of sporting goods generally could have an adverse effect on the financial health of our retail customers, which could in turn have an adverse effect on our sales, our ability to collect on receivables and our financial condition.

A decline in sales to, or the loss of, one or more of our key customers could result in a material loss of net revenues and negatively impact our prospects for growth.

In 2014, approximately 14.4% of our net revenues were generated from sales to our largest customer. We currently do not enter into long term sales contracts with this customer or our other key customers, relying instead on our relationships with these customers and on our position in the marketplace. As a result, we face the risk that these key customers may not increase their business with us as we expect, or may significantly decrease their business with us or terminate their relationship with us. The failure to increase our sales to these customers as much as we anticipate would have a negative impact on our growth prospects and any decrease or loss of these key customers' business could result in a material decrease in our net revenues and net income.

If we continue to grow at a rapid pace, we may not be able to effectively manage our growth and the increased complexity of a global business and as a result our brand image, net revenues and profitability may decline.

We have expanded our operations rapidly since our inception and our net revenues have increased to $3,084.4 million in 2014 from $1,063.9 million in 2010. If our operations continue to grow at a rapid pace, we may experience difficulties in obtaining sufficient raw materials and manufacturing capacity to produce our products, as well as delays in production and shipments, as our products are subject to risks associated with overseas sourcing and manufacturing. We could be required to continue to expand our sales and marketing, product development and distribution functions, to upgrade our management information systems and other processes and technology, and to obtain more space to support our expanding workforce. This expansion could increase the strain on these and other resources, and we could experience serious operating difficulties, including difficulties in hiring, training and managing an increasing number of employees. In addition, as our business becomes more complex through the introduction of more new products and the expansion of our distribution channels, including additional brand and factory house stores and expanded distribution in malls and department stores, and expanded international distribution, these operational strains and other difficulties could increase. These difficulties could result in the erosion of our brand image and a decrease in net revenues and net income.

If we fail to successfully manage or realize expected results from acquisitions and other significant investments, it may have a material adverse effect on our results of operations and financial position, as well as negatively impact the price of our Class A Common Stock.

From time to time we may engage in acquisition opportunities we believe are complementary to our business and brand. For example, as part of our ongoing business strategy we have engaged in acquisitions to grow and enhance our Connected Fitness business. In order to successfully execute this strategy, we must manage the integration of acquired companies and employees successfully. Because our Connected Fitness business is a relatively new line of business for us, these challenges

may be more pronounced. Integrating acquisitions can also require significant efforts and resources, which could divert management attention from more profitable business operations.

Failing to successfully integrate acquired entities and businesses or to produce results consistent with financial models used in the analysis of our acquisitions could potentially result in an impairment of goodwill and intangible assets, which could have a material adverse effect on our results of operations and financial position. In addition, we may not be successful in our efforts to continue to grow the number of users, maintain or increase user engagement or ultimately realize expected revenues from our Connected Fitness community. For example, we may not successfully increase sales of our apparel, footwear and accessory products to these users. Any of these developments could have a material adverse effect on our results of operations and financial position, as well as negatively impact the price of our Class A Common Stock.

If we are unable to anticipate consumer preferences and successfully develop and introduce new, innovative and updated products, we may not be able to maintain or increase our net revenues and profitability.

Our success depends on our ability to identify and originate product trends as well as to anticipate and react to changing consumer demands in a timely manner. All of our products are subject to changing consumer preferences that cannot be predicted with certainty. In addition, long lead times for certain of our products may make it hard for us to quickly respond to changes in consumer demands. Our new products may not receive consumer acceptance as consumer preferences could shift rapidly to different types of performance or other sports products or away from these types of products altogether, and our future success depends in part on our ability to anticipate and respond to these changes. Failure to anticipate and respond in a timely manner to changing consumer preferences could lead to, among other things, lower sales and excess inventory levels, which could have a material adverse effect on our financial condition.

Even if we are successful in anticipating consumer preferences, our ability to adequately react to and address those preferences will in part depend upon our continued ability to develop and introduce innovative, high-quality products. In addition, if we fail to introduce technical innovation in our products, consumer demand for our products could decline, and if we experience problems with the quality of our products, we may incur substantial expense to remedy the problems. The failure to effectively introduce new products and enter into new product categories that are accepted by consumers could result in a decrease in net revenues and excess inventory levels, which could have a material adverse effect on our financial condition.

Our results of operations could be materially harmed if we are unable to accurately forecast demand for our products.

To ensure adequate inventory supply, we must forecast inventory needs and place orders with our manufacturers before firm orders are placed by our customers. In addition, a significant portion of our net revenues are generated by at-once orders for immediate delivery to customers, particularly during our historical peak season, during the last two quarters of the year. If we fail to accurately forecast customer demand we may experience excess inventory levels or a shortage of product to deliver to our customers.

Factors that could affect our ability to accurately forecast demand for our products include:

- an increase or decrease in consumer demand for our products;
- our failure to accurately forecast consumer acceptance for our new products;
- product introductions by competitors;
- unanticipated changes in general market conditions or other factors, which may result in cancellations of advance orders or a reduction or increase in the rate of reorders placed by retailers;
- the impact on consumer demand due to unseasonable weather conditions;
- weakening of economic conditions or consumer confidence in future economic conditions, which could reduce demand for discretionary items, such as our products; and
- terrorism or acts of war, or the threat thereof, or political or labor instability or unrest which could adversely affect consumer confidence and spending or interrupt production and distribution of product and raw materials.

Inventory levels in excess of customer demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which could impair our brand image and have an adverse effect on gross margin. In addition, if we underestimate the demand for our products, our manufacturers may not be able to produce products to meet our customer requirements, and this could result in delays in the shipment of our products and our ability to recognize revenue, as well as damage to our reputation and retailer and distributor relationships.

The difficulty in forecasting demand also makes it difficult to estimate our future results of operations and financial condition from period to period. A failure to accurately predict the level of demand for our products could adversely impact our profitability.

Sales of performance products may not continue to grow and this could adversely impact our ability to grow our business.

We believe continued growth in industry-wide sales of performance apparel, footwear and accessories will be largely dependent on consumers continuing to transition from traditional alternatives to performance products. If consumers are not convinced these products are a better choice than traditional alternatives, growth in the industry and our business could be adversely affected. In addition, because performance products are often more expensive than traditional alternatives, consumers who are convinced these products provide a better alternative may still not be convinced they are worth the extra cost. If industry-wide sales of performance products do not grow, our ability to continue to grow our business and our financial condition and results of operations could be materially adversely impacted.

We operate in a highly competitive market and the size and resources of some of our competitors may allow them to compete more effectively than we can, resulting in a loss of our market share and a decrease in our net revenues and gross profit.

The market for performance apparel, footwear and accessories is highly competitive and includes many new competitors as well as increased competition from established companies expanding their production and marketing of performance products. Because we own a limited number of fabric or process patents, our current and future competitors are able to manufacture and sell products with performance characteristics and fabrications similar to certain of our products. Many of our competitors are large apparel and footwear companies with strong worldwide brand recognition. Due to the fragmented nature of the industry, we also compete with other manufacturers, including those specializing in outdoor apparel and private label offerings of certain retailers, including some of our retail customers. Many of our competitors have significant competitive advantages, including greater financial, distribution, marketing and other resources, longer operating histories, better brand recognition among consumers, more experience in global markets and greater economies of scale. In addition, our competitors have long term relationships with our key retail customers that are potentially more important to those customers because of the significantly larger volume and product mix that our competitors sell to them. As a result, these competitors may be better equipped than we are to influence consumer preferences or otherwise increase their market share by:

- quickly adapting to changes in customer requirements;
- readily taking advantage of acquisition and other opportunities;
- discounting excess inventory that has been written down or written off;
- devoting resources to the marketing and sale of their products, including significant advertising, media placement, partnerships and product endorsement;
- adopting aggressive pricing policies; and
- engaging in lengthy and costly intellectual property and other disputes.

In addition, while one of our growth strategies is to increase floor space for our products in retail stores and generally expand our distribution to other retailers, retailers have limited resources and floor space, and we must compete with others to develop relationships with them. Increased competition by existing and future competitors could result in reductions in floor space in retail locations, reductions in sales or reductions in the prices of our products, and if retailers earn greater margins from our competitors' products, they may favor the display and sale of those products. Our inability to compete successfully against our competitors and maintain our gross margin could have a material adverse effect on our business, financial condition and results of operations.

Our profitability may decline as a result of increasing pressure on margins.

Our industry is subject to significant pricing pressure caused by many factors, including intense competition, consolidation in the retail industry, pressure from retailers to reduce the costs of products and changes in consumer demand. These factors may cause us to reduce our prices to retailers and consumers, which could cause our profitability to decline if we are unable to offset price reductions with comparable reductions in our operating costs. This could have a material adverse effect on our results of operations and financial condition.

Fluctuations in the cost of products could negatively affect our operating results.

The fabrics used by our suppliers and manufacturers are made of raw materials including petroleum-based products and cotton. Significant price fluctuations or shortages in petroleum or other raw materials can materially adversely affect our cost of goods sold. In addition, certain of our manufacturers are subject to government regulations related to wage rates, and therefore the labor costs to produce our products may fluctuate. The cost of transporting our products for distribution and sale is also subject to fluctuation due in large part to the price of oil. Because most of our products are manufactured abroad, our products must be transported by third parties over large geographical distances and an increase in the price of oil can significantly increase costs. Manufacturing delays or unexpected transportation delays can also cause us to rely more heavily on airfreight to achieve timely delivery to our customers, which significantly increases freight costs. Any of these fluctuations may increase our cost of products and have an adverse effect on our profit margins, results of operations and financial condition.

We rely on third-party suppliers and manufacturers to provide fabrics for and to produce our products, and we have limited control over these suppliers and manufacturers and may not be able to obtain quality products on a timely basis or in sufficient quantity.

Many of the specialty fabrics used in our products are technically advanced textile products developed by third parties and may be available, in the short-term, from a very limited number of sources. Substantially all of our products are manufactured by unaffiliated manufacturers, and, in 2014, 10 manufacturers produced approximately 52% of our products. We have no long term contracts with our suppliers or manufacturing sources, and we compete with other companies for fabrics, raw materials, production and import quota capacity.

We may experience a significant disruption in the supply of fabrics or raw materials from current sources or, in the event of a disruption, we may be unable to locate alternative materials suppliers of comparable quality at an acceptable price, or at all. In addition, our unaffiliated manufacturers may not be able to fill our orders in a timely manner. If we experience significant increased demand, or we lose or need to replace an existing manufacturer or supplier as a result of adverse economic conditions or other reasons, additional supplies of fabrics or raw materials or additional manufacturing capacity may not be available when required on terms that are acceptable to us, or at all, or suppliers or manufacturers may not be able to allocate sufficient capacity to us in order to meet our requirements. In addition, even if we are able to expand existing or find new manufacturing or fabric sources, we may encounter delays in production and added costs as a result of the time it takes to train our suppliers and manufacturers on our methods, products and quality control standards. Any delays, interruption or increased costs in the supply of fabric or manufacture of our products could have an adverse effect on our ability to meet retail customer and consumer demand for our products and result in lower net revenues and net income both in the short and long term.

We have occasionally received, and may in the future continue to receive, shipments of product that fail to conform to our quality control standards. In that event, unless we are able to obtain replacement products in a timely manner, we risk the loss of net revenues resulting from the inability to sell those products and related increased administrative and shipping costs. In addition, because we do not control our manufacturers, products that fail to meet our standards or other unauthorized products could end up in the marketplace without our knowledge, which could harm our brand and our reputation in the marketplace.

Labor disruptions at ports or our suppliers or manufacturers may adversely affect our business.

Our business depends on our ability to source and distribute products in a timely manner. As a result, we rely on the free flow of goods through open and operational ports worldwide and on a consistent basis from our suppliers and manufacturers. Labor disputes at various ports or at our suppliers or manufacturers create significant risks for our business, particularly if these disputes result in work slowdowns, lockouts, strikes or other disruptions during our peak importing or manufacturing seasons, and could have an adverse effect on our business, potentially resulting in canceled orders by customers, unanticipated inventory accumulation or shortages and reduced net revenues and net income.

Our limited operating experience and limited brand recognition in new markets may limit our expansion strategy and cause our business and growth to suffer.

Our future growth depends in part on our expansion efforts outside of the North America. During the year ended December 31, 2014, 91% of our net revenues were earned in our North America segment. We have limited experience with regulatory environments and market practices outside of North America, and may face difficulties in expanding to and successfully operating in markets outside of North America. International expansion may place increased demands on our operational, managerial and administrative resources. In addition, in connection with expansion efforts outside of North America, we may face cultural and linguistic differences, differences in regulatory environments, labor practices and market practices and difficulties in keeping abreast of market, business and technical developments and customers' tastes and preferences. We may also encounter difficulty expanding into new markets because of limited brand recognition leading to

delayed acceptance of our products. Failure to develop new markets outside of North America will limit our opportunities for growth.

The operations of many of our manufacturers are subject to additional risks that are beyond our control and that could harm our business.

In 2014, our products were manufactured by 29 primary manufacturers, operating in 14 countries, with 10 manufacturers accounting for approximately 52% of our products. Approximately 65% of our products were manufactured in China, Jordan, Vietnam and Indonesia. As a result of our international manufacturing, we are subject to risks associated with doing business abroad, including:

- political or labor unrest, terrorism and economic instability resulting in the disruption of trade from foreign countries in which our products are manufactured;
- currency exchange fluctuations;
- the imposition of new laws and regulations, including those relating to labor conditions, quality and safety standards, imports, trade restrictions and restrictions on the transfer of funds, as well as rules and regulations regarding climate change;
- reduced protection for intellectual property rights in some countries;
- disruptions or delays in shipments; and
- changes in local economic conditions in countries where our manufacturers and suppliers are located.

These risks could negatively affect the ability of our manufacturers to produce or deliver our products or procure materials, hamper our ability to sell products in international markets and increase our cost of doing business generally. In the event that one or more of these factors make it undesirable or impractical for us to conduct business in a particular country, our business could be adversely affected.

In addition, many of our imported products are subject to duties, tariffs or other import limitations that affect the cost and quantity of various types of goods imported into the United States and other markets. Any country in which our products are produced or sold may eliminate, adjust or impose new import limitations, duties, anti-dumping penalties or other charges or restrictions, any of which could have an adverse effect on our results of operations, cash flows and financial condition.

Our credit facility contains financial covenants and other restrictions on our actions, and it could therefore limit our operational flexibility or otherwise adversely affect our financial condition.

We have, from time to time, financed our liquidity needs in part from borrowings made under our credit facility. The credit agreement contains negative covenants that, subject to significant exceptions limit our ability, among other things to incur additional indebtedness, make restricted payments, pledge assets as security, make investments, loans, advances, guarantees and acquisitions, undergo fundamental changes and enter into transactions with affiliates. In addition, we must maintain a certain leverage ratio and interest coverage ratio as defined in the credit agreement. Failure to comply with these operating or financial covenants could result from, among other things, changes in our results of operations or general economic conditions. These covenants may restrict our ability to engage in transactions that would otherwise be in our best interests. Failure to comply with any of the covenants under the credit agreement could result in a default. In addition, the credit agreement includes a cross default provision whereby an event of default under certain other debt obligations will be considered an event of default under the credit agreement. If an event of default occurs, the commitments of the lenders under the credit agreement may be terminated and the maturity of amounts owed may be accelerated.

We may need to raise additional capital required to grow our business, and we may not be able to raise capital on terms acceptable to us or at all.

Growing and operating our business will require significant cash outlays and capital expenditures and commitments. If cash on hand and cash generated from operations are not sufficient to meet our cash requirements, we will need to seek additional capital, potentially through debt or equity financing, to fund our growth. We may not be able to raise needed cash on terms acceptable to us or at all. Financing may be on terms that are dilutive or potentially dilutive to our stockholders, and the prices at which new investors would be willing to purchase our securities may be lower than the current price per share of our common stock. The holders of new securities may also have rights, preferences or privileges which are senior to those of existing holders of common stock. If new sources of financing are required, but are insufficient or unavailable, we will be required to modify our growth and operating plans based on available funding, if any, which would harm our ability to grow our business.

Our operating results are subject to seasonal and quarterly variations in our net revenues and income from operations, which could adversely affect the price of our Class A Common Stock.

We have experienced, and expect to continue to experience, seasonal and quarterly variations in our net revenues and income from operations. These variations are primarily related to increased sales volume of our products during the fall selling season, including our higher price cold weather products, along with a larger proportion of higher margin direct to consumer sales. The majority of our net revenues were generated during the last two quarters in each of 2014, 2013 and 2012, respectively.

Our quarterly results of operations may also fluctuate significantly as a result of a variety of other factors, including, among other things, the timing of marketing expenses and changes in our product mix. Variations in weather conditions may also have an adverse effect on our quarterly results of operations. For example, warmer than normal weather conditions throughout the fall or winter may reduce sales of our COLDGEAR® line, leaving us with excess inventory and operating results below our expectations.

As a result of these seasonal and quarterly fluctuations, we believe that comparisons of our operating results between different quarters within a single year are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance. Any seasonal or quarterly fluctuations that we report in the future may not match the expectations of market analysts and investors. This could cause the price of our Class A Common Stock to fluctuate significantly.

Our financial results could be adversely impacted by currency exchange rate fluctuations.

Although we currently generate 86.6% of our consolidated net revenues in the United States, as our international business grows, our results of operations could be adversely impacted by changes in foreign currency exchange rates. Revenues and certain expenses in markets outside of the United States are recognized in local foreign currencies, and we are exposed to potential gains or losses from the translation of those amounts into U.S. dollars for consolidation into our financial statements. Similarly, we are exposed to gains and losses resulting from currency exchange rate fluctuations on transactions generated by our foreign subsidiaries in currencies other than their local currencies. In addition, the business of our independent manufacturers may also be disrupted by currency exchange rate fluctuations by making their purchases of raw materials more expensive and more difficult to finance. As a result, foreign currency exchange rate fluctuations may adversely impact our results of operations.

The value of our brand and sales of our products could be diminished if we are associated with negative publicity.

We require our suppliers, manufacturers and licensees of our products to operate their businesses in compliance with the laws and regulations that apply to them as well as the social and other standards and policies we impose on them, including our code of conduct. We do not control these suppliers, manufacturers or licensees or their labor practices. A violation or reported (or alleged) violation of our policies, labor laws or other laws by our suppliers, manufacturers or licensees could interrupt or otherwise disrupt our sourcing or damage our brand image. Negative publicity regarding production methods, alleged practices or workplace or related conditions of any of our suppliers, manufacturers or licensees could adversely affect our reputation and sales and force us to locate alternative suppliers, manufacturers or licensees.

In addition, we have sponsorship contracts with a variety of athletes and feature those athletes in our advertising and marketing efforts, and many athletes and teams use our products, including those teams or leagues for which we are an official supplier. Actions taken by athletes, teams or leagues associated with our products could harm the reputations of those athletes, teams or leagues. As a result, our brand image, net revenues and profitability could be adversely affected.

Sponsorships and designations as an official supplier may become more expensive and this could impact the value of our brand image.

A key element of our marketing strategy has been to create a link in the consumer market between our products and professional and collegiate athletes. We have developed licensing agreements to be the official supplier of performance apparel and footwear to a variety of sports teams and leagues at the collegiate and professional level and sponsorship agreements with athletes. However, as competition in the performance apparel and footwear industry has increased, the costs associated with athlete sponsorships and official supplier licensing agreements have increased, including the costs associated with obtaining and retaining these sponsorships and agreements. If we are unable to maintain our current association with professional and collegiate athletes, teams and leagues, or to do so at a reasonable cost, we could lose the on-field authenticity associated with our products, and we may be required to modify and substantially increase our marketing investments. As a result, our brand image, net revenues, expenses and profitability could be materially adversely affected.

Our failure to comply with trade and other regulations could lead to investigations or actions by government regulators and negative publicity.

The labeling, distribution, importation, marketing and sale of our products are subject to extensive regulation by various federal agencies, including the Federal Trade Commission, Consumer Product Safety Commission and state attorneys general in the U.S., as well as by various other federal, state, provincial, local and international regulatory authorities in the locations in which our products are distributed or sold. If we fail to comply with those regulations, we could become subject to significant penalties or claims or be required to recall products, which could harm our brand as well as our results of operations or our ability to conduct our business. In addition, the adoption of new regulations or changes in the interpretation of existing regulations may result in significant compliance costs or discontinuation of product sales and may impair the marketing of our products, resulting in significant loss of net revenues.

Our international operations are also subject to compliance with the U.S. Foreign Corrupt Practices Act, or FCPA, and other anti-bribery laws applicable to our operations. Although we have policies and procedures to address compliance with the FCPA and similar laws, there can be no assurance that all of our employees, agents and other partners will not take actions in violations of our policies. Any such violation could subject us to sanctions or other penalties that could negatively affect our reputation, business and operating results.

If we encounter problems with our distribution system, our ability to deliver our products to the market could be adversely affected.

We rely on a limited number of distribution facilities for our product distribution. Our distribution facilities utilize computer controlled and automated equipment, which means the operations are complicated and may be subject to a number of risks related to security or computer viruses, the proper operation of software and hardware, power interruptions or other system failures. In addition, because many of our products are distributed from a limited number of locations , our operations could also be interrupted by floods, fires or other natural disasters in these locations, as well as labor or other operational difficulties or interruptions. We maintain business interruption insurance, but it may not adequately protect us from the adverse effects that could be caused by significant disruptions in our distribution facilities, such as the long term loss of customers or an erosion of our brand image. In addition, our distribution capacity is dependent on the timely performance of services by third parties, including the shipping of product to and from our distribution facilities. If we encounter problems with our distribution facilities, our ability to meet customer expectations, manage inventory, complete sales and achieve objectives for operating efficiencies could be materially adversely affected.

We rely significantly on information technology and any failure, inadequacy or interruption of that technology could harm our ability to effectively operate our business.

Our business increasingly relies on information technology. Our ability to effectively manage and maintain our inventory and internal reports, and to ship products to customers and invoice them on a timely basis depends significantly on our enterprise resource planning, warehouse management, and other information systems. We also heavily rely on information systems to process financial and accounting information for financial reporting purposes. Any of these information systems could fail or experience a service interruption for a number of reasons, including computer viruses, programming errors, hacking or other unlawful activities, disasters or our failure to properly maintain system redundancy or protect, repair, maintain or upgrade our systems. The failure of our information systems to operate effectively or to integrate with other systems, or a breach in security of these systems could cause delays in product fulfillment and reduced efficiency of our operations, which could negatively impact our financial results. If we experienced any significant disruption to our financial information systems that we are unable to mitigate, our ability to timely report our financial results could be impacted, which could negatively impact our stock price. We also communicate electronically throughout the world with our employees and with third parties, such as customers, suppliers, vendors and consumers. A service interruption or shutdown could negatively impact our operating activities. Remediation and repair of any failure, problem or breach of our key information systems could require significant capital investments.

In addition, the performance of our Connected Fitness business is dependent on reliable performance of its products, applications and services and the underlying technical infrastructure, which incorporate complex software. If this software contains errors, bugs or other vulnerabilities which impede or halt service, this could result in damage to our reputation and brand, loss of users or loss of revenue.

Data security or privacy breaches could damage our reputation, cause us to incur additional expense, expose us to litigation and adversely affect our business.

We collect sensitive and proprietary business information as well as personally identifiable information in connection with digital marketing, digital commerce, our in-store payment processing systems and our Connected Fitness business. In particular, in our Connected Fitness business we collect and store a variety of information regarding our users, and allow users to share their personal information with each other and with third parties. Hackers and data thieves are increasingly sophisticated and operate large scale and complex automated attacks. Any breach of our data security could result in an unauthorized release or transfer of customer, consumer, user or employee information, or the loss of valuable business data or cause a disruption in our business. These events could give rise to unwanted media attention, damage our reputation, damage our customer, consumer or user relationships and result in lost sales, fines or lawsuits. We may also be required to expend significant capital and other resources to protect against or respond to or alleviate problems caused by a security breach.

We must also comply with increasingly complex regulatory standards throughout the world enacted to protect personal information and other data, particularly with respect to our Connected Fitness business. Compliance with existing and proposed laws and regulations can be costly. In addition, an inability to maintain compliance with these regulatory standards could subject us to litigation or other regulatory proceedings.

Changes in tax laws and unanticipated tax liabilities could adversely affect our effective income tax rate and profitability.

We are subject to income taxes in the United States and numerous foreign jurisdictions. Our effective income tax rate could be adversely affected in the future by a number of factors, including changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws, the outcome of income tax audits in various jurisdictions around the world, and any repatriation of non-US earnings for which we have not previously provided for U.S. taxes. We regularly assess all of these matters to determine the adequacy of our tax provision, which is subject to significant judgment.

Our financial results may be adversely affected if substantial investments in businesses and operations fail to produce expected returns.

From time to time, we may invest in business infrastructure, new businesses, and expansion of existing businesses, such as the ongoing expansion of our network of brand and factory house stores and our distribution facilities, the expansion of our corporate headquarters or investments in our Connected Fitness business. These investments require substantial cash investments and management attention. We believe cost effective investments are essential to business growth and profitability. The failure of any significant investment to provide the returns or synergies we expect could adversely affect our financial results. Infrastructure investments may also divert funds from other potential business opportunities.

Our future success is substantially dependent on the continued service of our senior management and other key employees.

Our future success is substantially dependent on the continued service of our senior management and other key employees, particularly Kevin A. Plank, our founder, Chairman and Chief Executive Officer. The loss of the services of our senior management or other key employees could make it more difficult to successfully operate our business and achieve our business goals.

We also may be unable to retain existing management, product creation, sales, marketing, operational and other support personnel that are critical to our success, which could result in harm to key customer relationships, loss of key information, expertise or know-how and unanticipated recruitment and training costs.

If we are unable to attract and retain new team members, including senior management, we may not be able to achieve our business objectives.

Our growth has largely been the result of significant contributions by our current senior management, product design teams and other key employees. However, to be successful in continuing to grow our business, we will need to continue to attract, retain and motivate highly talented management and other employees with a range of skills and experience. Competition for employees in our industry is intense and we have experienced difficulty from time to time in attracting the personnel necessary to support the growth of our business, and we may experience similar difficulties in the future. If we are unable to attract, assimilate and retain management and other employees with the necessary skills, we may not be able to grow or successfully operate our business.

Kevin Plank, our Chairman and Chief Executive Officer controls the majority of the voting power of our common stock.

Our Class A Common Stock, or Class A Stock, has one vote per share and our Class B Convertible Common Stock, or Class B Stock, has 10 votes per share. Our Chairman and Chief Executive Officer, Kevin A. Plank, beneficially owns all outstanding shares of Class B Stock. As a result, Mr. Plank has the majority voting control and is able to direct the election of all of the members of our Board of Directors and other matters we submit to a vote of our stockholders. This concentration of voting control may have various effects including, but not limited to, delaying or preventing a change of control. The Class B Stock automatically converts to Class A Stock when Mr. Plank beneficially owns less than 15.0% of the total number of shares of Class A and Class B Stock outstanding. Otherwise the Class B Stock does not convert to Class A Stock until Mr. Plank's death or disability. As a result, Mr. Plank can retain his voting control even after he is no longer affiliated with the Company.

A number of our fabrics and manufacturing technology are not patented and can be imitated by our competitors.

The intellectual property rights in the technology, fabrics and processes used to manufacture our products are generally owned or controlled by our suppliers and are generally not unique to us. Our ability to obtain patent protection for our products is limited and we currently own a limited number of fabric or process patents. As a result, our current and future competitors are able to manufacture and sell products with performance characteristics and fabrications similar to certain of our products. Because many of our competitors have significantly greater financial, distribution, marketing and other resources than we do, they may be able to manufacture and sell products based on certain of our fabrics and manufacturing technology at lower prices than we can. If our competitors do sell similar products to ours at lower prices, our net revenues and profitability could be materially adversely affected.

Our intellectual property rights could potentially conflict with the rights of others and we may be prevented from selling or providing some of our products.

Our success depends in large part on our brand image. We believe our registered and common law trademarks have significant value and are important to identifying and differentiating our products from those of our competitors and creating and sustaining demand for our products. In addition, patents are increasingly important with respect to our innovative products and new businesses and investments, particularly in our Connected Fitness business. From time to time, we have received or brought claims relating to intellectual property rights of others, and we expect such claims will continue or increase, particularly as we expand our business and the number of products we offer. Any such claim, regardless of its merit, could be expensive and time consuming to defend or prosecute. Successful infringement claims against us could result in significant monetary liability or prevent us from selling or providing some of our products. In addition, resolution of claims may require us to redesign our products, license rights belonging to third parties or cease using those rights altogether. Any of these events could harm our business and have a material adverse effect on our results of operations and financial condition.

Our failure to protect our intellectual property rights could diminish the value of our brand, weaken our competitive position and reduce our net revenues.

We currently rely on a combination of copyright, trademark and trade dress laws, patent laws, unfair competition laws, confidentiality procedures and licensing arrangements to establish and protect our intellectual property rights. The steps taken by us to protect our proprietary rights may not be adequate to prevent infringement of our trademarks and proprietary rights by others, including imitation of our products and misappropriation of our brand. In addition, intellectual property protection may be unavailable or limited in some foreign countries where laws or law enforcement practices may not protect our proprietary rights as fully as in the United States, and it may be more difficult for us to successfully challenge the use of our proprietary rights by other parties in these countries. If we fail to protect and maintain our intellectual property rights, the value of our brand could be diminished and our competitive position may suffer.

From time to time, we discover unauthorized products in the marketplace that are either counterfeit reproductions of our products or unauthorized irregulars that do not meet our quality control standards. If we are unsuccessful in challenging a third party’s products on the basis of trademark infringement, continued sales of their products could adversely impact our brand, result in the shift of consumer preferences away from our products and adversely affect our business.

We have licensed in the past, and expect to license in the future, certain of our proprietary rights, such as trademarks or copyrighted material, to third parties. These licensees may take actions that diminish the value of our proprietary rights or harm our reputation.

We are subject to periodic claims and litigation that could result in unexpected expenses and could ultimately be resolved against us.

From time to time, we are involved in litigation and other proceedings, including matters related to commercial disputes and intellectual property, as well as trade, regulatory and other claims related to our business. Any of these proceedings could result in damages, fines or other penalties, divert financial and management resources and result in significant legal fees. Although we cannot predict the outcome of any particular proceeding, an unfavorable outcome may have an adverse impact on our business, financial condition and results of operations. In addition, any proceeding could negatively impact our reputation among our customers and our brand image.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

The following includes a summary of the principal properties that we own or lease as of December 31, 2014.

Our principal executive and administrative offices are located at an office complex in Baltimore, Maryland, which includes 400 thousand square feet of office space that we own and 126 thousand square feet that we are leasing with an option to renew in December 2015. In 2014 we entered into a lease for an additional 130 thousand square feet of office space located near our principal offices in Baltimore in order to expand our corporate headquarters. The lease has a ten year term beginning in 2016. For our European headquarters, we lease an office in Amsterdam, the Netherlands, and we maintain an international management office in Panama as well.

We lease our primary distribution facilities, which are located in Glen Burnie, Maryland and Rialto, California. Our Glen Burnie facilities include a total of 830 thousand square feet, with options to renew various portions of the facilities on dates ranging from December 2016 to September 2021. Our Rialto facility is a 1,200 thousand square foot facility with a lease term through May 2023. We believe our distribution facilities and space available through our third-party logistics providers will be adequate to meet our short term needs. In late 2015, we expect to begin operations in a new 1,000 thousand square foot leased distribution facility being developed for us in the Nashville, Tennessee area. We may expand to additional distribution facilities in the future.

In addition, as of December 31, 2014, we leased 147 brand and factory house stores located in the United States, Canada, China, Chile and Mexico with lease end dates in 2015 through 2028. We also lease additional office space for sales, quality assurance and sourcing, marketing, and administrative functions. We anticipate that we will be able to extend these leases that expire in the near future on satisfactory terms or relocate to other locations.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we have been involved in litigation and other proceedings, including matters related to commercial disputes and intellectual property, as well as trade, regulatory and other claims related to our business. We believe all current proceedings are routine in nature and incidental to the conduct of our business, and we believe no such proceedings will have a material adverse effect on our financial condition, results of operations or cash flows.

EXECUTIVE OFFICERS OF THE REGISTRANT

Our executive officers are:

Name	Age	Position
Kevin A. Plank	42	Chairman and Chief Executive Officer
Kerry D. Chandler	50	Chief Human Resources Officer
Brad Dickerson	50	Chief Financial Officer
Kip J. Fulks	42	Chief Operating Officer
James H. Hardy, Jr.	55	Chief Supply Chain Officer
Karl-Heinz Maurath	53	President, International
Matthew C. Mirchin	55	President, North America
Adam Peake	46	Executive Vice President, Global Marketing
Henry B. Stafford	40	Chief Merchandising Officer

Kevin A. Plank has served as our Chief Executive Officer and Chairman of the Board of Directors since 1996. Mr. Plank also serves on the Board of Directors of the National Football Foundation and College Hall of Fame, Inc. and is a member of the Board of Trustees of the University of Maryland College Park Foundation.

Kerry D. Chandler has been Chief Human Resources Officer since January 2015. Prior to joining our Company, she served as Global Head of Human Resources for Christie's International from February 2014 to November 2014. Prior thereto, Ms. Chandler served as the Executive Vice President of Human Resources for the National Basketball Association from January 2011 to January 2014 and Senior Vice President of Human Resources from October 2007 to December 2010. Ms. Chandler also held executive positions in human resources for the Walt Disney Company, including Senior Vice President of Human Resources for ESPN. Prior to that, Ms. Chandler also held various senior management positions in Human Resources for IBM, and Motorola, Inc. and she began her career at the McDonnell Douglas Corporation.

Brad Dickerson has been our Chief Financial Officer since March 2008. Prior to that, he served as Vice President of Accounting and Finance from February 2006 to February 2008 and Corporate Controller from July 2004 to February 2006. Prior to joining our Company, Mr. Dickerson served as Chief Financial Officer of Macquarie Aviation North America from January 2003 to July 2004 and in various capacities for Network Building & Consulting from 1994 to 2003, including Chief Financial Officer from 1998 to 2003.

Kip J. Fulks has been Chief Operating Officer since September 2011. He currently oversees the Company's supply chain operations, information technology, security, product innovation and global footwear. He previously served as President of Product from October 2013 to November 2014, as Executive Vice President of Product from January 2011 to August 2011 and Senior Vice President of Outdoor and Innovation from March 2008 to December 2010. He also held various senior management positions in Outdoor, Sourcing, Quality Assurance and Product Development from 1997 to February 2008.

James H. Hardy, Jr. has been Chief Supply Chain Officer since April 2012. Prior to joining our Company, he served as Senior Vice President of Operations for Hospira, a leading manufacturer of pharmaceutical products, from January 2011 to April 2012 and as Corporate Vice President of Supply Chain from October 2009 to December 2010. Prior thereto, Mr. Hardy served as Senior Vice President of Supply Chain for Dial Corporation from October 2007 to October 2009, as Executive Vice President of Product Supply for ConAgra Foods, Inc. from 2005 to 2007 and held various supply chain management leadership positions at The Clorox Company and The Procter & Gamble Company.

Karl-Heinz Maurath has been President of International since September 2012. Prior to joining our Company, he served for 22 years in various leadership positions with adidas, including Senior Vice President, adidas Group Latin America, from 2003 to 2012 with overall responsibility for Latin America including the Reebok and Taylor Made businesses and Vice President, adidas Nordic, from 2000 to 2003 responsible for its business in the Nordic region and the Baltic states. Prior thereto, Mr. Maurath served in other management positions for adidas, including Managing Director of its business in Sweden and Thailand and Area Manger of sales and marketing for its distributor and licensee businesses in Scandinavia and Latin America. Mr. Maurath, in his capacity as a former director of a subsidiary of adidas, is currently named as a defendant in a criminal tax investigation by regulatory authorities in Argentina related to certain tax matters of the adidas subsidiary in 2006. In November 2013, the court ruled that there were currently no grounds upon which to indict Mr. Maurath. Although the case remains open pending a final determination, the Company believes that the matter will ultimately be dismissed. The Company believes this case in no way impacts Mr. Maurath's integrity or ability to serve as an executive officer.

Matthew C. Mirchin has been President of North America since December 2014. Prior to that, he served as Executive Vice President, Global Marketing from October 2013 to November 2014, Senior Vice President, Global Brand and Sports

Marketing from March 2012 to September 2013 and Senior Vice President of Sports Marketing from January 2010 to February 2012. He also held various senior management positions in Sales from May 2005 to December 2009. Prior to joining our Company, Mr. Mirchin served as President of Retail and Team Sports from 2002 to 2005 and President of Team Sports from 2001 to 2002 for Russell Athletic. Prior to joining Russell Athletic, Mr. Mirchin served in various capacities at the Champion Division of Sara Lee Corporation from 1994 to 2001 and started his career with the NBA.

Adam Peake has been the Executive Vice President of Global Marketing since December 2014. Prior to that he served as Senior Vice President of Sales, North America and was the principal executive in charge of North American Sales from January 2010 to November 2014. He also served as interim Vice President of Footwear from May 2009 to December 2009 and held various senior management positions in Sales for the Company from 2002 to 2009.

Henry B. Stafford has been Chief Merchandising Officer since December 2014. He is responsible for the integration of the Company's apparel, accessories and merchandizing globally and oversees the Company's direct to consumer sales channels. Prior to that, he served as President of North America from October 2013 to November 2014, Senior Vice President of Apparel, Outdoor & Accessories from September 2011 to September 2013 and as Senior Vice President of Apparel from June 2010 to August 2011. Prior to joining our company, he worked with American Eagle Outfitters as Senior Vice President and Chief Merchandising Officer of The AE Brand from April 2007 to May 2010, General Merchandise Manager and Senior Vice President of Men's and AE Canadian Division from April 2005 to March 2007 and General Merchandise Manager and Vice President of Men's from September 2003 to March 2005. Prior thereto, Mr. Stafford served in a variety of capacities for Old Navy from 1998 to 2003, including Divisional Merchandising Manager for Men's Tops from 2001 to 2003, and served as a buyer for Abercrombie and Fitch from 1996-1998.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Under Armour's Class A Common Stock is traded on the New York Stock Exchange ("NYSE") under the symbol "UA". As of January 31, 2015, there were 1,151 record holders of our Class A Common Stock and 5 record holders of Class B Convertible Common Stock which are beneficially owned by our Chief Executive Officer and Chairman of the Board Kevin A. Plank. The following table sets forth by quarter the high and low sale prices of our Class A Common Stock on the NYSE during 2014 and 2013.

	High	Low
2014		
First Quarter (January 1 – March 31)	$ 62.40	$ 40.98
Second Quarter (April 1 – June 30)	$ 60.17	$ 45.05
Third Quarter (July 1 – September 30)	$ 73.42	$ 56.79
Fourth Quarter (October 1 – December 31)	$ 72.98	$ 60.00
2013		
First Quarter (January 1 – March 31)	$ 25.97	$ 22.16
Second Quarter (April 1 – June 30)	$ 32.78	$ 25.15
Third Quarter (July 1 – September 30)	$ 40.82	$ 29.73
Fourth Quarter (October 1 – December 31)	$ 43.96	$ 37.72

Stock Split

On June 11, 2012 and March 17, 2014 the Board of Directors declared two-for-one stock splits of the Company's Class A and Class B common stock, which were effected in the form of a 100% common stock dividend distributed on July 9, 2012 and April 14, 2014, respectively. Stockholders' equity and all references to share and per share amounts herein and in the accompanying consolidated financial statements have been retroactively adjusted to reflect each of the two-for-one stock splits for all periods presented.

Dividends

No cash dividends were declared or paid during 2014 or 2013 on any class of our common stock. We currently anticipate we will retain any future earnings for use in our business. As a result, we do not anticipate paying any cash dividends in the foreseeable future. In addition, we may be limited in our ability to pay dividends to our stockholders under our credit facility. Refer to "Financial Position, Capital Resources and Liquidity" within Management's Discussion and Analysis and Note 6 to the Consolidated Financial Statements for further discussion of our credit facility.

Stock Compensation Plans

The following table contains certain information regarding our equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	7,840,362	$ 8.28	22,118,204
Equity compensation plans not approved by security holders	2,017,578	$ 9.25	—

The number of securities to be issued upon exercise of outstanding options, warrants and rights issued under equity compensation plans approved by security holders includes 5.0 million restricted stock units and deferred stock units issued to employees, non-employees and directors of Under Armour; these restricted stock units and deferred stock units are not included in the weighted average exercise price calculation above. The number of securities remaining available for future issuance includes 19.3 million shares of our Class A Common Stock under our Amended and Restated 2005 Omnibus Long-Term Incentive Plan ("2005 Stock Plan") and 2.8 million shares of our Class A Common Stock under our Employee Stock Purchase Plan. In addition to securities issued upon the exercise of stock options, warrants and rights, the 2005 Stock Plan authorizes the

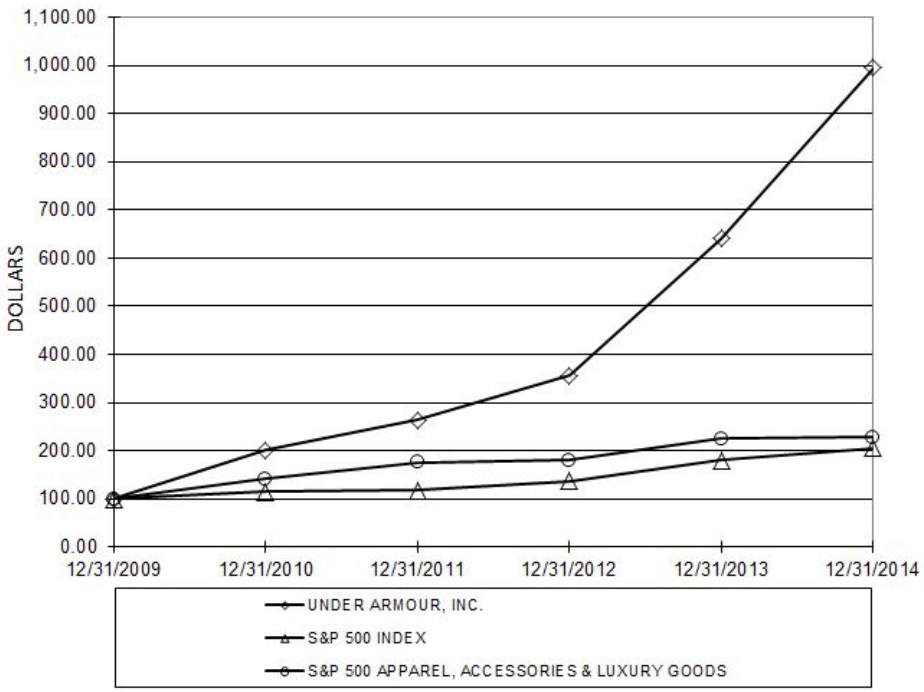
issuance of restricted and unrestricted shares of our Class A Common Stock and other equity awards. Refer to Note 12 to the Consolidated Financial Statements for information required by this Item regarding the material features of each plan.

The number of securities issued upon exercise of outstanding options, warrants and rights issued under equity compensation plans not approved by security holders includes 1,920.0 thousand fully vested and non-forfeitable warrants granted in 2006 to NFL Properties LLC as partial consideration for footwear promotional rights, and 97.6 thousand shares of our Class A Common Stock issued in connection with the delivery of shares pursuant to deferred stock units granted to certain of our marketing partners. These deferred stock units are not included in the weighted average exercise price calculation above.

Refer to Note 12 to the Consolidated Financial Statements for a further discussion on the warrants. The deferred stock units are issued to certain of our marketing partners in connection with their entering into endorsement and other marketing services agreements with us. The terms of each agreement set forth the number of deferred stock units to be granted and the delivery dates for the shares, which range from a 1 to 10 year period, depending on the contract. The deferred stock units are non-forfeitable.

Stock Performance Graph

The stock performance graph below compares cumulative total return on Under Armour, Inc. Class A Common Stock to the cumulative total return of the S&P 500 Index and S&P 500 Apparel, Accessories and Luxury Goods Index from December 31, 2009 through December 31, 2014. The graph assumes an initial investment of $100 in Under Armour and each index as of December 31, 2009 and reinvestment of any dividends. The performance shown on the graph below is not intended to forecast or be indicative of possible future performance of our common stock.



	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014
Under Armour, Inc.	$ 100.00	$ 201.03	$ 263.20	$ 355.87	$ 640.03	$ 995.60
S&P 500	$ 100.00	$ 115.06	$ 117.49	$ 136.30	$ 180.44	$ 205.14
S&P 500 Apparel, Accessories & Luxury Goods	$ 100.00	$ 141.20	$ 175.60	$ 180.13	$ 225.03	$ 227.25

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data is qualified by reference to, and should be read in conjunction with, the Consolidated Financial Statements, including the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Form 10-K.

	Year Ended December 31,				
(In thousands, except per share amounts)	**2014**	**2013**	**2012**	**2011**	**2010**
Net revenues	$ 3,084,370	$ 2,332,051	$ 1,834,921	$ 1,472,684	$ 1,063,927
Cost of goods sold	1,572,164	1,195,381	955,624	759,848	533,420
Gross profit	1,512,206	1,136,670	879,297	712,836	530,507
Selling, general and administrative expenses	1,158,251	871,572	670,602	550,069	418,152
Income from operations	353,955	265,098	208,695	162,767	112,355
Interest expense, net	(5,335)	(2,933)	(5,183)	(3,841)	(2,258)
Other expense, net	(6,410)	(1,172)	(73)	(2,064)	(1,178)
Income before income taxes	342,210	260,993	203,439	156,862	108,919
Provision for income taxes	134,168	98,663	74,661	59,943	40,442
Net income	$ 208,042	$ 162,330	$ 128,778	$ 96,919	$ 68,477
Net income available per common share					
Basic	$ 0.98	$ 0.77	$ 0.62	$ 0.47	$ 0.34
Diluted	$ 0.95	$ 0.75	$ 0.61	$ 0.46	$ 0.33
Weighted average common shares outstanding					
Basic	213,227	210,696	208,686	206,280	203,190
Diluted	219,380	215,958	212,760	210,104	205,126
Dividends declared	$ —	$ —	$ —	$ —	$ —

	At December 31,				
(In thousands)	**2014**	**2013**	**2012**	**2011**	**2010**
Cash and cash equivalents	$ 593,175	$ 347,489	$ 341,841	$ 175,384	$ 203,870
Working capital (1)	1,127,772	702,181	651,370	506,056	406,703
Inventories	536,714	469,006	319,286	324,409	215,355
Total assets	2,095,083	1,577,741	1,157,083	919,210	675,378
Total debt, including current maturities	284,201	152,923	61,889	77,724	15,942
Total stockholders' equity	$ 1,350,300	$ 1,053,354	$ 816,922	$ 636,432	$ 496,966

(1) Working capital is defined as current assets minus current liabilities.

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

The information contained in this section should be read in conjunction with our Consolidated Financial Statements and related notes and the information contained elsewhere in this Form 10-K under the captions "Risk Factors," "Selected Financial Data," and "Business."

Overview

We are a leading developer, marketer and distributor of branded performance apparel, footwear and accessories. The brand's moisture-wicking fabrications are engineered in many different designs and styles for wear in nearly every climate to provide a performance alternative to traditional products. Our products are sold worldwide and worn by athletes at all levels, from youth to professional, on playing fields around the globe, as well as by consumers with active lifestyles.

Our net revenues grew to $3,084.4 million in 2014 from $1,063.9 million in 2010. We believe that our growth in net revenues has been driven by a growing interest in performance products and the strength of the Under Armour brand in the marketplace. We plan to continue to increase our net revenues over the long term by increased sales of our apparel, footwear and accessories, expansion of our wholesale distribution sales channel, growth in our direct to consumer sales channel and expansion in international markets. Our direct to consumer sales channel includes our brand and factory house stores and websites. New offerings for 2014 include MagZip™, ArmourVent® apparel, the UA SpeedForm™ Apollo running shoe, and UA ClutchFit™ Drive basketball shoe.

A large majority of our products are sold in North America; however, we believe our products appeal to athletes and consumers with active lifestyles around the globe. Internationally, our net revenues are generated from a mix of wholesale sales to retailers, sales to distributors and sales through our direct to consumer sales channels in Europe, Latin America, and Asia-Pacific. In addition, a third party licensee sells our products in Japan and Korea.

Our operating segments include North America; Latin America; Europe, the Middle East and Africa ("EMEA"); Asia-Pacific; and MapMyFitness. Due to the insignificance of the EMEA, Latin America, Asia and MapMyFitness operating segments, they have been combined into other foreign countries and businesses for disclosure purposes.

We believe there is an increasing recognition of the health benefits of an active lifestyle. We believe this trend provides us with an expanding consumer base for our products. We also believe there is a continuing shift in consumer demand from traditional non-performance products to performance products, which are intended to provide better performance by wicking perspiration away from the skin, helping to regulate body temperature and enhancing comfort. We believe that these shifts in consumer preferences and lifestyles are not unique to the United States, but are occurring in a number of markets globally, thereby increasing our opportunities to introduce our performance products to new consumers. We plan to continue to grow our business over the long term through increased sales of our apparel, footwear and accessories, expansion of our wholesale distribution, growth in our direct to consumer sales channel and expansion in international markets.

Although we believe these trends will facilitate our growth, we also face potential challenges that could limit our ability to take advantage of these opportunities, including, among others, the risk of general economic or market conditions that could affect consumer spending and the financial health of our retail customers. In addition, we may not be able to effectively manage our growth and a more complex global business. We may not consistently be able to anticipate consumer preferences and develop new and innovative products that meet changing preferences in a timely manner. Furthermore, our industry is very competitive, and competition pressures could cause us to reduce the prices of our products or otherwise affect our profitability. We also rely on third-party suppliers and manufacturers outside the U.S. to provide fabrics and to produce our products, and disruptions to our supply chain could harm our business. For a more complete discussion of the risks facing our business, refer to the "Risk Factors" section included in Item 1A.

General

Net revenues comprise both net sales and license and other revenues. Net sales comprise sales from our primary product categories, which are apparel, footwear and accessories. Our license and other revenues primarily consist of fees paid to us by our licensees in exchange for the use of our trademarks on core products of socks, team uniforms, baby and kids' apparel, eyewear, inflatable footballs and basketballs, the distribution of our products in Japan, and revenues associated with our MapMyFitness business.

Cost of goods sold consists primarily of product costs, inbound freight and duty costs, outbound freight costs, handling costs to make products floor-ready to customer specifications, royalty payments to endorsers based on a predetermined

percentage of sales of selected products and write downs for inventory obsolescence. The fabrics in many of our products are made primarily of petroleum-based synthetic materials. Therefore our product costs, as well as our inbound and outbound freight costs, could be affected by long term pricing trends of oil. In general, as a percentage of net revenues, we expect cost of goods sold associated with our apparel and accessories to be lower than that of our footwear. A limited portion of cost of goods sold is associated with license and other revenues, primarily website hosting and other costs related to our MapMyFitness business.

We include outbound freight costs associated with shipping goods to customers as cost of goods sold; however, we include the majority of outbound handling costs as a component of selling, general and administrative expenses. As a result, our gross profit may not be comparable to that of other companies that include outbound handling costs in their cost of goods sold. Outbound handling costs include costs associated with preparing goods to ship to customers and certain costs to operate our distribution facilities. These costs were $55.3 million, $46.1 million and $34.8 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Our selling, general and administrative expenses consist of costs related to marketing, selling, product innovation and supply chain and corporate services. Personnel costs are included in these categories based on the employees' function. Personnel costs include salaries, benefits, incentives and stock-based compensation related to our employees. Our marketing costs are an important driver of our growth. Marketing costs consist primarily of commercials, print ads, league, team, player and event sponsorships and depreciation expense specific to our in-store fixture program for our concept shops. Selling costs consist primarily of costs relating to sales through our wholesale channel, commissions paid to third parties and the majority of our direct to consumer sales channel costs, including the cost of brand and factory house store leases. Product innovation and supply chain costs include development and innovation costs associated with our apparel, footwear and accessories products and our MapMyFitness business, along with our sourcing and distribution facility operating costs, and costs relating to our Hong Kong and Guangzhou, China offices which help support product development, manufacturing, quality assurance and sourcing efforts. Corporate services primarily consist of corporate facility operating costs and company-wide administrative expenses.

Other expense, net consists of unrealized and realized gains and losses on our foreign currency derivative financial instruments and unrealized and realized gains and losses on adjustments that arise from fluctuations in foreign currency exchange rates relating to transactions generated by our international subsidiaries.

Results of Operations

The following table sets forth key components of our results of operations for the periods indicated, both in dollars and as a percentage of net revenues:

	Year Ended December 31,		
(In thousands)	**2014**	**2013**	**2012**
Net revenues	$ 3,084,370	$ 2,332,051	$ 1,834,921
Cost of goods sold	1,572,164	1,195,381	955,624
Gross profit	1,512,206	1,136,670	879,297
Selling, general and administrative expenses	1,158,251	871,572	670,602
Income from operations	353,955	265,098	208,695
Interest expense, net	(5,335)	(2,933)	(5,183)
Other expense, net	(6,410)	(1,172)	(73)
Income before income taxes	342,210	260,993	203,439
Provision for income taxes	134,168	98,663	74,661
Net income	$ 208,042	$ 162,330	$ 128,778

(As a percentage of net revenues)	Year Ended December 31, 2014	2013	2012
Net revenues	100.0 %	100.0 %	100.0 %
Cost of goods sold	51.0	51.3	52.1
Gross profit	49.0	48.7	47.9
Selling, general and administrative expenses	37.5	37.3	36.5
Income from operations	11.5	11.4	11.4
Interest expense, net	(0.2)	(0.1)	(0.3)
Other expense, net	(0.2)	(0.1)	—
Income before income taxes	11.1	11.2	11.1
Provision for income taxes	4.4	4.2	4.1
Net income	6.7 %	7.0 %	7.0 %

Consolidated Results of Operations

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Net revenues increased $752.3 million, or 32.3%, to $3,084.4 million in 2014 from $2,332.1 million in 2013. Net revenues by product category are summarized below:

(In thousands)	Year Ended December 31, 2014	2013	$ Change	% Change
Apparel	$ 2,291,520	$ 1,762,150	$ 529,370	30.0%
Footwear	430,987	298,825	132,162	44.2
Accessories	275,425	216,098	59,327	27.5
Total net sales	2,997,932	2,277,073	720,859	31.7
License and other revenues	86,438	54,978	31,460	57.2
Total net revenues	$ 3,084,370	$ 2,332,051	$ 752,319	32.3%

Net sales increased $720.8 million, or 31.7%, to $2,997.9 million in 2014 from $2,277.1 million in 2013. The increase in net sales primarily reflects:

- $220.5 million, or 31.5%, increase in North America direct to consumer sales driven by a 17% increase in square footage in our factory house stores, including an 7% increase in new stores, since December 2013, along with continued growth in our e-commerce business;
- $128.5 million, or 108.4% increase in net sales in other foreign countries, primarily due to increased distribution and unit volume growth in our EMEA and Latin America operating segments; and
- unit growth driven by increased distribution and new offerings in multiple product categories, including continued growth of our training, outdoor and golf apparel product lines, along with growth in footwear due to a broader assortment of running and basketball shoes, including our new UA SpeedForm™ footwear.

License and other revenues increased $31.4 million, or 57.2%, to $86.4 million in 2014 from $55.0 million in 2013. This increase in license and other revenues was primarily due to an increase of $18.1 million in revenues in our MapMyFitness operating segment, along with increased distribution and unit volume growth of our licensed products.

Gross profit increased $375.5 million to $1,512.2 million in 2014 from $1,136.7 million in 2013. Gross profit as a percentage of net revenues, or gross margin, increased 30 basis points to 49.0% in 2014 compared to 48.7% in 2013. The increase in gross margin percentage was primarily driven by the following:

- approximate 20 basis point increase driven primarily by decreased sales mix of excess inventory through our factory house outlet stores. We expect the favorable factory house outlet store sales mix impact will continue into 2015;
- approximate 20 basis point increase as a result of higher duty costs recorded during the prior year on certain products imported in previous years. We do not expect this favorable impact to continue during 2015;

The above increases were partially offset by:

- approximate 10 basis point decrease driven by unfavorable foreign currency exchange rate fluctuations. We expect the unfavorable impact of foreign exchange rate fluctuations to continue in 2015.

Selling, general and administrative expenses increased $286.7 million to $1,158.3 million in 2014 from $871.6 million in 2013. As a percentage of net revenues, selling, general and administrative expenses increased to 37.5% in 2014 from 37.3% in 2013. These changes were primarily attributable to the following:

- Marketing costs increased $86.5 million to $333.0 million in 2014 from $246.5 million in 2013 primarily due to increased global sponsorship of professional teams and athletes. As a percentage of net revenues, marketing costs increased to 10.8% in 2014 from 10.5% in 2013 primarily due to the items noted above.

- Selling costs increased $81.0 million to $320.9 million in 2014 from $239.9 million in 2013. This increase was primarily due to higher personnel and other costs incurred for the continued expansion of our direct to consumer distribution channel, including increased investment in our factory house and brand house store strategies. As a percentage of net revenues, selling costs increased to 10.4% in 2014 from 10.3% in 2013.

- Product innovation and supply chain costs increased $82.4 million to $291.6 million in 2014 from $209.2 million in 2013 primarily due to higher personnel costs to support our growth in net revenues, along with increased investment in our MapMyFitness business. As a percentage of net revenues, product innovation and supply chain costs increased to 9.4% in 2014 from 9.0% in 2013 primarily due to the items noted above.

- Corporate services costs increased $36.8 million to $212.8 million in 2014 from $176.0 million in 2013 primarily due to higher personnel and other administrative costs necessary to support our growth. As a percentage of net revenues, corporate services costs decreased to 6.9% in 2014 from 7.5% in 2013 primarily due to higher incentive compensation in the prior year.

Income from operations increased $88.9 million, or 33.5%, to $354.0 million in 2014 from $265.1 million in 2013. Income from operations as a percentage of net revenues increased to 11.5% in 2014 from 11.4% in 2013.

Interest expense, net increased $2.4 million to $5.3 million in 2014 from $2.9 million in 2013. This increase was primarily due to the $150.0 million and $100.0 million term loans we entered into during 2014.

Other expense, net increased $5.2 million to $6.4 million in 2014 from $1.2 million in 2013. This increase was due to higher net losses in 2014 on the combined foreign currency exchange rate changes on transactions denominated in foreign currencies and our foreign currency derivative financial instruments as compared to 2013.

Provision for income taxes increased $35.5 million to $134.2 million in 2014 from $98.7 million in 2013. Our effective tax rate was 39.2% in 2014 compared to 37.8% in 2013. Our effective tax rate for 2014 was higher than the effective tax rate for 2013 primarily due to increased foreign investments driving a lower proportion of foreign taxable income in 2014 and state tax credits received in 2013.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Net revenues increased $497.2 million, or 27.1%, to $2,332.1 million in 2013 from $1,834.9 million in 2012. Net revenues by product category are summarized below:

	Year Ended December 31,			
(In thousands)	**2013**	**2012**	**$ Change**	**% Change**
Apparel	$ 1,762,150	$ 1,385,350	$ 376,800	27.2%
Footwear	298,825	238,955	59,870	25.1
Accessories	216,098	165,835	50,263	30.3
Total net sales	2,277,073	1,790,140	486,933	27.2
License and other revenues	54,978	44,781	10,197	22.8
Total net revenues	$ 2,332,051	$ 1,834,921	$ 497,130	27.1%

Net sales increased $487.0 million, or 27.2%, to $2,277.1 million in 2013 from $1,790.1 million in 2012 as noted in the table above. The increase in net sales primarily reflects:

- $176.8 million, or 33.2%, increase in direct to consumer sales, which includes 18 additional retail stores, or a 16.5% growth, since December 31, 2012, and continued growth in our e-commerce business;

- unit growth driven by increased distribution and new offerings in multiple product categories, most significantly in our training and hunting apparel product categories, including our new UA HEATGEAR® Sonic and UA COLDGEAR® Infrared product lines along with continued growth in our UA Storm and Charged Cotton® platforms, and running apparel and footwear, including UA Spine; and

- increased average selling prices driven primarily from our higher priced apparel products, including our mountain category and women's UA Studio line.

License and other revenues increased $10.2 million, or 22.8%, to $55.0 million in 2013 from $44.8 million in 2012. This increase in license and other revenues was primarily a result of increased distribution and continued unit volume growth by our licensees.

Gross profit increased $257.4 million to $1,136.7 million in 2013 from $879.3 million in 2012. Gross profit as a percentage of net revenues, or gross margin, increased 80 basis points to 48.7% in 2013 compared to 47.9% in 2012. The increase in gross margin percentage was primarily driven by the following:

- approximate 60 basis point increase driven by sales mix. The sales mix impact was primarily driven by decreased sales mix of excess inventory through our factory house outlet stores at lower prices, along with a lower proportion of North American wholesale footwear sales.

- approximate 50 basis point increase driven by lower North American apparel and accessories product input costs.

The above increases were partially offset by the below decrease:

- approximate 20 basis point decrease as a result of higher duty costs on certain products previously imported, which were identified and reserved for during the third quarter of 2013.

Selling, general and administrative expenses increased $201.0 million to $871.6 million in 2013 from $670.6 million in 2012. As a percentage of net revenues, selling, general and administrative expenses increased to 37.3% in 2013 from 36.5% in 2012. These changes were primarily attributable to the following:

- Marketing costs increased $41.1 million to $246.5 million in 2013 from $205.4 million in 2012 primarily due to increased sponsorship of collegiate and professional teams and athletes and marketing to support our international expansion. As a percentage of net revenues, marketing costs decreased to 10.5% in 2013 from 11.2% in 2012.

- Selling costs increased $63.9 million to $239.9 million in 2013 from $176.0 million in 2012. This increase was primarily due to higher personnel and other costs incurred primarily for the continued expansion of our direct to consumer distribution channel. As a percentage of net revenues, selling costs increased to 10.3% in 2013 from 9.6% in 2012.

- Product innovation and supply chain costs increased $50.7 million to $209.2 million in 2013 from $158.5 million in 2012 primarily due to higher incentive compensation as well as higher personnel costs to support our growth in net revenues. As a percentage of net revenues, product innovation and supply chain costs increased to 9.0% in 2013 from 8.6% in 2012.

- Corporate services costs increased $45.3 million to $176.0 million in 2013 from $130.7 million in 2012. This increase was primarily attributable to higher incentive compensation as well as higher corporate personnel costs necessary to support our growth. As a percentage of net revenues, corporate services costs increased to 7.5% in 2013 from 7.1% in 2012.

Income from operations increased $56.4 million, or 27.0%, to $265.1 million in 2013 from $208.7 million in 2012. Income from operations as a percentage of net revenues was unchanged at 11.4% in 2013 and 2012.

Interest expense, net decreased $2.3 million to $2.9 million in 2013 from $5.2 million in 2012. This decrease was primarily due to the refinancing in December 2012 of the debt assumed in connection with the acquisition of our corporate headquarters.

Other expense, net increased $1.1 million to $1.2 million in 2013 from $0.1 million in 2012. This increase was due to higher net losses in 2013 on the combined foreign currency exchange rate changes on transactions denominated in foreign currencies and our foreign currency derivative financial instruments as compared to 2012.

Provision for income taxes increased $24.0 million to $98.7 million in 2013 from $74.7 million in 2012. Our effective tax rate was 37.8% in 2013 compared to 36.7% in 2012. Our effective tax rate for 2013 was higher than the effective tax rate for 2012 primarily due to increased foreign investments driving a lower proportion of foreign taxable income, along with increased non-deductible expenses, including acquisition related expenses, in 2013.

Segment Results of Operations

The net revenues and operating income (loss) associated with our segments are summarized in the following tables. The majority of corporate expenses within North America have not been allocated to other foreign countries and businesses.

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Net revenues by segment are summarized below:

	Year Ended December 31,			
(In thousands)	**2014**	**2013**	**$ Change**	**% Change**
North America	$ 2,796,390	$ 2,193,739	$ 602,651	27.5%
Other foreign countries and businesses	287,980	138,312	149,668	108.2
Total net revenues	$ 3,084,370	$ 2,332,051	$ 752,319	32.3%

Net revenues in our North American operating segment increased $602.7 million to $2,796.4 million in 2014 from $2,193.7 million in 2013 primarily due to the items discussed above in the Consolidated Results of Operations. Net revenues in other foreign countries and businesses increased by $149.7 million to $288.0 million in 2014 from $138.3 million in 2013 primarily due to continued international expansion and increased unit sales growth in our EMEA and Latin America operating segments, along with an increase of $18.1 million in revenues from our MapMyFitness operating segment.

Operating income (loss) by segment is summarized below:

	Year Ended December 31,			
(In thousands)	**2014**	**2013**	**$ Change**	**% Change**
North America	$ 372,347	$ 271,338	$ 101,009	37.2%
Other foreign countries and businesses	(18,392)	(6,240)	(12,152)	194.7
Total operating income	$ 353,955	$ 265,098	$ 88,857	33.5%

Operating income in our North American operating segment increased $101.0 million to $372.3 million in 2014 from $271.3 million in 2013 primarily due to the items discussed above in the Consolidated Results of Operations. Operating loss in other foreign countries and businesses increased by $12.2 million to $18.4 million in 2014 from $6.2 million in 2013. This increase is primarily due to an operating loss in our MapMyFitness operating segment of $13.1 million.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Net revenues by segment are summarized below:

	Year Ended December 31,			
(In thousands)	**2013**	**2012**	**$ Change**	**% Change**
North America	$ 2,193,739	$ 1,726,733	$ 467,006	27.0%
Other foreign countries and businesses	138,312	108,188	30,124	27.8
Total net revenues	$ 2,332,051	$ 1,834,921	$ 497,130	27.1%

Net revenues in our North American operating segment increased $467.0 million to $2,193.7 million in 2013 from $1,726.7 million in 2012 primarily due to the items discussed above in the Consolidated Results of Operations. Net revenues in other foreign countries and businesses increased by $30.1 million to $138.3 million in 2013 from $108.2 million in 2012 primarily due to unit sales growth in our EMEA and Asia operating segments and to distributors in our Latin American operating segment.

Operating income (loss) by segment is summarized below:

	Year Ended December 31,			
(In thousands)	**2013**	**2012**	**$ Change**	**% Change**
North America	$ 271,338	$ 200,084	$ 71,254	35.6 %
Other foreign countries and businesses	(6,240)	8,611	(14,851)	(172.5)
Total operating income	$ 265,098	$ 208,695	$ 56,403	27.0 %

Operating income in our North American operating segment increased $71.2 million to $271.3 million in 2013 from $200.1 million in 2012 primarily due to the items discussed above in the Consolidated Results of Operations. Operating income (loss) in other foreign countries and businesses decreased by $14.8 million to $(6.2) million in 2013 from $8.6 million in 2012 primarily due to our continued investment to support our international expansion in our EMEA, Asia and Latin American operating segments. Investments in 2013 primarily include the opening of brand and factory house stores in China and offices and distribution facilities in Brazil and Chile, along with higher personnel costs and incentive compensation.

Seasonality

Historically, we have recognized a majority of our net revenues and a significant portion of our income from operations in the last two quarters of the year, driven primarily by increased sales volume of our products during the fall selling season, including our higher priced cold weather products, along with a larger proportion of higher margin direct to consumer sales. The level of our working capital generally reflects the seasonality and growth in our business. We generally expect inventory, accounts payable and certain accrued expenses to be higher in the second and third quarters in preparation for the fall selling season.

The following table sets forth certain financial information for the periods indicated. The data is prepared on the same basis as the audited consolidated financial statements included elsewhere in this Form 10-K. All recurring, necessary adjustments are reflected in the data below.

	Quarter Ended (unaudited)							
(In thousands)	**Mar 31, 2013**	**Jun 30, 2013**	**Sep 30, 2013**	**Dec 31, 2013**	**Mar 31, 2014**	**Jun 30, 2014**	**Sep 30, 2014**	**Dec 31, 2014**
Net revenues	$471,608	$454,541	$723,146	$682,756	$641,607	$609,654	$937,908	$895,201
Gross profit	216,551	219,631	350,135	350,353	300,690	299,952	465,300	446,264
Marketing SG&A expenses	62,841	48,952	74,175	60,521	87,977	70,854	99,756	74,462
Other SG&A expenses	140,218	138,369	155,131	191,365	185,857	194,404	219,438	225,503
Income from operations	13,492	32,310	120,829	98,467	26,856	34,694	146,106	146,299
(As a percentage of annual totals)								
Net revenues	20.2%	19.5%	31.0%	29.3%	20.8%	19.8%	30.4%	29.0%
Gross profit	19.1%	19.3%	30.8%	30.8%	19.9%	19.8%	30.8%	29.5%
Marketing SG&A expenses	25.4%	19.9%	30.1%	24.6%	26.4%	21.3%	29.9%	22.4%
Other SG&A expenses	22.4%	22.2%	24.8%	30.6%	22.5%	23.6%	26.6%	27.3%
Income from operations	5.1%	12.2%	45.6%	37.1%	7.6%	9.8%	41.3%	41.3%

Financial Position, Capital Resources and Liquidity

Our cash requirements have principally been for working capital and capital expenditures. We fund our working capital, primarily inventory, and capital investments from cash flows from operating activities, cash and cash equivalents on hand and borrowings available under our credit and long term debt facilities. Our working capital requirements generally reflect the seasonality and growth in our business as we recognize the majority of our net revenues in the back half of the year. Our capital investments have included expanding our in-store fixture and branded concept shop program, improvements and expansion of our distribution and corporate facilities to support our growth, leasehold improvements to our new brand and factory house stores, and investment and improvements in information technology systems.

Our inventory strategy is focused on continuing to meet consumer demand while improving our inventory efficiency over the long term by putting systems and processes in place to improve our inventory management. These systems and processes are designed to improve our forecasting and supply planning capabilities. In addition to systems and processes, key areas of focus that we believe will enhance inventory performance are added discipline around the purchasing of product, production lead time reduction, and better planning and execution in selling of excess inventory through our factory house stores and other liquidation channels.

In December 2013, we completed our acquisition of MapMyFitness. The purchase price was initially funded through $50.0 million cash on hand and $100.0 million in debt under our revolving credit facility. In May 2014, we repaid the $100.0 million with a portion of the $150.0 million proceeds from a term loan under our credit facility. In January 2015, we completed our acquisition of Endomondo. The purchase price was funded with the proceeds from our $100.0 million delayed draw term loan, which we drew in November 2014, for general corporate purposes.

We believe our cash and cash equivalents on hand, cash from operations and borrowings available to us under our credit and long term debt facilities and other sources of liquidity are adequate to meet our liquidity needs and capital expenditure requirements for at least the next twelve months. In connection with our pending acquisition of MyFitnessPal, Inc., we are pursuing an amendment to increase the borrowings available under our existing $650.0 million credit agreement. We currently anticipate increasing both term loan borrowings and revolving credit facility commitments under the credit agreement. The acquisition is expected to be funded through a combination of the increased term loan borrowings, a draw on the increased revolving credit facility and cash on hand. See "Credit Facility" below. Although we believe we have adequate sources of liquidity over the long term, an economic recession or a slow recovery could adversely affect our business and liquidity (refer to the “Risk Factors” section included in Item 1A). In addition, instability in or tightening of the capital markets could adversely affect our ability to obtain additional capital to grow our business and will affect the cost and terms of such capital.

At December 31, 2014, approximately 21.8% of our cash was held by our foreign subsidiaries where a repatriation of those funds to the United States would likely result in an additional tax expense. However, based on the capital and liquidity needs of our foreign operations, as well as the status of current tax law, we intend to indefinitely reinvest these funds outside the United States. In addition, our United States operations do not require the repatriation of these funds to meet our currently projected liquidity needs. Should we require additional capital in the United States, we may elect to repatriate indefinitely reinvested foreign funds or raise capital in the United States. If we were to repatriate indefinitely reinvested foreign funds, we would be required to accrue and pay additional U.S. taxes less applicable foreign tax credits. Determining the tax liability that would arise if these earnings were repatriated is not practical.

Cash Flows

The following table presents the major components of net cash flows used in and provided by operating, investing and financing activities for the periods presented:

	Year Ended December 31,		
(In thousands)	**2014**	**2013**	**2012**
Net cash provided by (used in):			
Operating activities	$ 219,033	$ 120,070	$ 199,761
Investing activities	(152,312)	(238,102)	(46,931)
Financing activities	182,306	126,795	12,297
Effect of exchange rate changes on cash and cash equivalents	(3,341)	(3,115)	1,330
Net increase in cash and cash equivalents	$ 245,686	$ 5,648	$ 166,457

Operating Activities

Operating activities consist primarily of net income adjusted for certain non-cash items. Adjustments to net income for non-cash items include depreciation and amortization, unrealized foreign currency exchange rate gains and losses, losses on disposals of property and equipment, stock-based compensation, deferred income taxes and changes in reserves and allowances. In addition, operating cash flows include the effect of changes in operating assets and liabilities, principally inventories, accounts receivable, income taxes payable and receivable, prepaid expenses and other assets, accounts payable and accrued expenses.

Cash provided by operating activities increased $98.9 million to $219.0 million in 2014 from $120.1 million in 2013. The increase in cash provided by operating activities was due to adjustments to net income for non-cash items, which increased $57.5 million and an increase in net income of $45.7 million, partially offset by decreased net cash flows from operating assets and liabilities of $4.3 million year over year.

Adjustments to net income for non-cash items increased in 2014 as compared to 2013 primarily due to higher depreciation and amortization related to acquired intangible assets and increased capital expenditure, along with a higher net increase in reserves and allowances in 2014 as compared to 2013.

The decrease in net cash flows related to changes in operating assets and liabilities period over period was primarily driven by the following:

- a decrease in inventory investments of $72.2 million due to early deliveries of product and incremental inventory investments in the prior year.

This decrease was partially offset by:

- a larger increase in accounts receivable of $65.1 million in 2014 as compared to 2013, primarily due to a higher proportion of sales to our international customers with longer payment terms compared to the prior year.

Cash provided by operating activities decreased $79.7 million to $120.1 million in 2013 from $199.8 million in 2012. The decrease in cash provided by operating activities was due to decreased net cash flows from operating assets and liabilities of $142.4 million, partially offset by an increase in net income of $33.6 million and adjustments to net income for non-cash items, which increased $29.1 million year over year. The increase in net cash flows related to changes in operating assets and liabilities period over period was primarily driven by the following:

- an increase in inventory investments of $161.6 million. Inventory grew in 2013 at a rate higher than revenue growth primarily due to supplier delivery challenges experienced in 2012, early deliveries of product in 2013 to manage supplier capacity and improve fill rates, along with incremental inventory investments to support our growing international and direct to consumer businesses.

This increase was partially offset by:

- a larger increase in accrued expenses and other liabilities of $34.5 million in 2013 as compared to 2012, primarily due to higher accruals for our performance incentive plan as compared to 2012.

Adjustments to net income for non-cash items increased in 2013 as compared to 2012 primarily due to an increase in stock-based compensation and higher depreciation and amortization in 2013 as compared to 2012.

Investing Activities

Cash used in investing activities decreased $85.8 million to $152.3 million in 2014 from $238.1 million in 2013. This decrease in cash used in investing activities was primarily related to the purchase of MapMyFitness in the prior year, partially offset by increased capital expenditures to support international expansion and our brand and factory house strategies in the current year.

Cash used in investing activities increased $191.2 million to $238.1 million in 2013 from $46.9 million in 2012. This increase in cash used in investing activities was primarily related to the purchase of MapMyFitness in December 2013 and increased capital expenditures to improve and expand our offices and distribution facilities and support our brand and factory house strategies in 2013.

Total capital expenditures were $145.4 million, $91.6 million and $62.8 million in 2014, 2013 and 2012, respectively. Capital expenditures for 2015 are expected to be in the range of $280 million to $290 million, comprised primarily of investments in a new distribution facility in North America, expansion of our corporate headquarters, retail store buildouts and fixtures.

Financing Activities

Cash provided by financing activities increased $55.5 million to $182.3 million in 2014 from $126.8 million in 2013. This increase was primarily due to $150.0 million of net borrowings under our credit facility in 2014, as compared to $100.0 million of borrowings under our revolving credit facility in 2013.

Cash provided by financing activities increased $114.5 million to $126.8 million in 2013 from $12.3 million in 2012. This increase was primarily due to $100.0 million borrowed under our revolving credit facility to partially fund the acquisition of MapMyFitness.

Credit Facility

In May 2014 we entered into a new unsecured $650.0 million credit agreement and terminated our prior $325.0 million revolving credit facility. The credit agreement has a term of five years through May 2019, with permitted extensions under certain circumstances. The credit agreement provides for a committed revolving credit facility of $400.0 million, in addition to an aggregate term loan commitment of $250.0 million, consisting of a $150.0 million term loan, drawn at the closing of the credit agreement, and $100.0 million delayed draw term loan drawn in November 2014 for general corporate purposes. At our request and the lenders' consent, the revolving credit facility or term loans may be increased by up to an additional $150.0 million. Borrowings under the revolving credit facility may be made in U.S. Dollars, Euros, Pounds Sterling, Japanese Yen and Canadian Dollars. Up to $50.0 million of the facility may be used to support letters of credit and up to $50.0 million of the facility may be used to support swingline loans. There were no significant letters of credit and no swingline loans outstanding as of December 31, 2014. In connection with our pending acquisition of MyFitnessPal, Inc., we are pursuing an amendment to

increase the borrowings available under the credit agreement. We currently anticipate increasing both term loan borrowings and revolving credit facility commitments under the credit agreement.

The credit agreement contains negative covenants that, subject to significant exceptions, limit our ability to, among other things, incur additional indebtedness, make restricted payments, pledge our assets as security, make investments, loans, advances, guarantees and acquisitions, undergo fundamental changes and enter into transactions with affiliates. We are also required to maintain a ratio of consolidated EBITDA, as defined in the credit agreement, to consolidated interest expense of not less than 3.50 to 1.00 and we are not permitted to allow the ratio of consolidated total indebtedness to consolidated EBITDA to be greater than 3.25 to 1.00. As of December 31, 2014, we were in compliance with these ratios. In addition, the credit agreement contains events of default that are customary for a facility of this nature, and includes a cross default provision whereby an event of default under other material indebtedness, as defined in the credit agreement, will be considered an event of default under the credit agreement.

Borrowings under the credit agreement bear interest at a rate per annum equal to, at our option, either (a) an alternate base rate, or (b) the adjusted LIBOR rate, plus in each case an applicable margin. The applicable margin for loans will be adjusted by reference to the Pricing Grid based on the consolidated leverage ratio and ranges between 1.00% to 1.25% for adjusted LIBOR rate loans and 0.00% to 0.25% for alternate base rate loans. The interest rate under both term loans was 1.2% during the year ended December 31, 2014. No balance was outstanding under our revolving credit facility as of December 31, 2014. Additionally, we pay a commitment fee on the average daily unused amount of the revolving credit facility, a ticking fee on the undrawn amounts under the delayed draw term loan and certain fees with respect to letters of credit. As of December 31, 2014, the commitment fee was 12.5 basis points.

We used $100.0 million of the proceeds from the $150.0 million term loan to repay the $100.0 million outstanding under our revolving credit facility. We incurred and capitalized $1.7 million in deferred financing costs in connection with the credit facility.

Other Long Term Debt

We have long term debt agreements with various lenders to finance the acquisition or lease of qualifying capital investments. Loans under these agreements are collateralized by a first lien on the related assets acquired. At December 31, 2014, 2013 and 2012, the outstanding principal balance under these agreements was $2.0 million, $4.9 million and $11.9 million, respectively. Currently, advances under these agreements bear interest rates which are fixed at the time of each advance. The weighted average interest rates on outstanding borrowings were 3.1%, 3.3% and 3.7% for the years ended December 31, 2014, 2013 and 2012, respectively.

In December 2012, we entered into a $50.0 million recourse loan collateralized by the land, buildings and tenant improvements comprising our corporate headquarters. The loan has a seven year term and maturity date of December 2019. The loan bears interest at one month LIBOR plus a margin of 1.50%, and allows for prepayment without penalty. The loan includes covenants and events of default substantially consistent with the new credit agreement discussed above. The loan also requires prior approval of the lender for certain matters related to the property, including transfers of any interest in the property. As of December 31, 2014, 2013 and 2012, the outstanding balance on the loan was $46.0 million, $48.0 million and $50.0 million, respectively. The weighted average interest rate on the loan was 1.7% for the years ended December 31, 2014, 2013 and 2012.

Interest expense, net was $5.3 million, $2.9 million and $5.2 million for the years ended December 31, 2014, 2013 and 2012, respectively. Interest expense includes the amortization of deferred financing costs and interest expense under the credit and long term debt facilities.

We monitor the financial health and stability of our lenders under the credit and other long term debt facilities, however during any period of significant instability in the credit markets lenders could be negatively impacted in their ability to perform under these facilities.

Acquisitions

MapMyFitness

On December 6, 2013, we acquired 100% of the outstanding equity of MapMyFitness, Inc., a digital connected fitness platform, for $150.0 million in cash. The purchase price was initially financed through $100.0 million in debt under our revolving credit facility and cash on hand.

On January 5, 2015, we acquired 100% of the outstanding equity of Endomondo ApS, a Denmark-based connected fitness company for $85 in cash million, subject to adjustment for working capital. In connection with this acquisition, we incurred acquisition related expenses of approximately $0.8 million during the year ended December 31, 2014. These expenses were included in selling, general and administrative expenses on the consolidated statements of income. The operating results for this acquisition will be included in our consolidated statements of income from the date of acquisition. We are currently in the process of assessing the fair value of the assets acquired and liabilities assumed, which is expected to be final during the first quarter of 2015.

On February 3, 2015, we entered into an agreement to acquire MyFitnessPal, Inc ("MyFitnessPal"). The purchase price for the acquisition will be $475 million in cash, which will be adjusted to reflect our acquisition of MyFitnessPal at the closing on a debt free basis with MyFitnessPal's transaction expenses borne by the sellers. In addition, the aggregate purchase price payable at the closing is subject to an upward adjustment to reflect the amount of net cash held by MyFitnessPal at closing. The acquisition is currently expected to close during the first quarter of 2015, subject to the satisfaction of customary closing conditions, including among others, regulatory approvals, the continuing accuracy of representations and warranties and the execution of noncompetition agreements by certain key employee stockholders. The acquisition is expected to be funded through a combination of increased term loan borrowings, a draw on the increased revolving credit facility and cash on hand.

Contractual Commitments and Contingencies

We lease warehouse space, office facilities, space for our brand and factory house stores and certain equipment under non-cancelable operating and capital leases. The leases expire at various dates through 2028, excluding extensions at our option, and contain various provisions for rental adjustments. In addition, this table includes executed lease agreements for brand and factory house stores that we did not yet occupy as of December 31, 2014. The operating leases generally contain renewal provisions for varying periods of time. Our significant contractual obligations and commitments as of December 31, 2014 as well as significant agreements entered into during the period after December 31, 2014 through the date of this report are summarized in the following table:

	Payments Due by Period				
(in thousands)	**Total**	**Less Than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**More Than 5 Years**
Contractual obligations					
Long term debt obligations (1)	$ 316,099	$ 35,202	$ 66,122	$ 173,176	$ 41,599
Operating lease obligations (2)	472,575	56,452	109,251	92,658	214,214
Product purchase obligations (3)	884,101	884,101	—	—	—
Sponsorships and other (4)	392,926	90,056	128,388	78,137	96,345
Total	$ 2,065,701	$ 1,065,811	$ 303,761	$ 343,971	$ 352,158

(1) Includes estimated interest payments based on applicable fixed and currently effective floating interest rates as of December 31, 2014, timing of scheduled payments, and the term of the debt obligations.

(2) Includes the minimum payments for operating lease obligations. The operating lease obligations do not include any contingent rent expense we may incur at our brand and factory house stores based on future sales above a specified minimum or payments made for maintenance, insurance and real estate taxes. Contingent rent expense was $11.0 million for the year ended December 31, 2014.

(3) We generally place orders with our manufacturers at least three to four months in advance of expected future sales. The amounts listed for product purchase obligations primarily represent our open production purchase orders with our manufacturers for our apparel, footwear and accessories, including expected inbound freight, duties and other costs. These open purchase orders specify fixed or minimum quantities of products at determinable prices. The product purchase obligations also includes fabric commitments with our suppliers, which secure a portion of our material needs for future seasons. The reported amounts exclude product purchase liabilities included in accounts payable as of December 31, 2014.

(4) Includes sponsorships with professional teams, professional leagues, colleges and universities, individual athletes, athletic events and other marketing commitments in order to promote our brand. Some of these sponsorship agreements provide for additional performance incentives and product supply obligations. It is not possible to determine how much we will spend on product supply obligations on an annual basis as contracts generally do not stipulate specific cash amounts to be spent on products. The amount of product provided to these sponsorships depends on many factors including general playing conditions, the number of sporting events in which they participate and our decisions regarding product and marketing initiatives. In addition, it is not possible to

determine the performance incentive amounts we may be required to pay under these agreements as they are primarily subject to certain performance based and other variables. The amounts listed above are the fixed minimum amounts required to be paid under these agreements.

The table above excludes a liability of $31.3 million for uncertain tax positions, including the related interest and penalties, recorded in accordance with applicable accounting guidance, as we are unable to reasonably estimate the timing of settlement. Refer to Note 10 to the Consolidated Financial Statements for a further discussion of our uncertain tax positions.

Off-Balance Sheet Arrangements

In connection with various contracts and agreements, we have agreed to indemnify counterparties against certain third party claims relating to the infringement of intellectual property rights and other items. Generally, such indemnification obligations do not apply in situations in which our counterparties are grossly negligent, engage in willful misconduct, or act in bad faith. Based on our historical experience and the estimated probability of future loss, we have determined the fair value of such indemnifications is not material to our financial position or results of operations.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. To prepare these financial statements, we must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosures of contingent assets and liabilities. Actual results could be significantly different from these estimates. We believe the following discussion addresses the critical accounting policies that are necessary to understand and evaluate our reported financial results.

Revenue Recognition

Net revenues consist of both net sales and license and other revenues. Net sales are recognized upon transfer of ownership, including passage of title to the customer and transfer of risk of loss related to those goods. Transfer of title and risk of loss are based upon shipment under free on board shipping point for most goods or upon receipt by the customer depending on the country of the sale and the agreement with the customer. In some instances, transfer of title and risk of loss take place at the point of sale, for example at our brand and factory house stores. We may also ship product directly from our supplier to the customer and recognize revenue when the product is delivered to and accepted by the customer. License and other revenues are primarily recognized based upon shipment of licensed products sold by our licensees. Sales taxes imposed on our revenues from product sales are presented on a net basis on the consolidated statements of income and therefore do not impact net revenues or costs of goods sold.

We record reductions to revenue for estimated customer returns, allowances, markdowns and discounts. We base our estimates on historical rates of customer returns and allowances as well as the specific identification of outstanding returns, markdowns and allowances that have not yet been received by us. The actual amount of customer returns and allowances, which is inherently uncertain, may differ from our estimates. If we determine that actual or expected returns or allowances are significantly higher or lower than the reserves we established, we would record a reduction or increase, as appropriate, to net sales in the period in which we make such a determination. Provisions for customer specific discounts are based on contractual obligations with certain major customers. Reserves for returns, allowances, markdowns and discounts are recorded as an offset to accounts receivable as settlements are made through offsets to outstanding customer invoices. As of December 31, 2014 and 2013, there were $68.9 million and $43.8 million, respectively, in reserves for customer returns, allowances, markdowns and discounts.

Allowance for Doubtful Accounts

We make ongoing estimates relating to the collectability of accounts receivable and maintain an allowance for estimated losses resulting from the inability of our customers to make required payments. In determining the amount of the reserve, we consider historical levels of credit losses and significant economic developments within the retail environment that could impact the ability of our customers to pay outstanding balances and make judgments about the creditworthiness of significant customers based on ongoing credit evaluations. Because we cannot predict future changes in the financial stability of our customers, actual future losses from uncollectible accounts may differ from estimates. If the financial condition of customers were to deteriorate, resulting in their inability to make payments, a larger reserve might be required. In the event we determine a smaller or larger reserve is appropriate, we would record a benefit or charge to selling, general and administrative expense in the period in which such a determination was made. As of December 31, 2014 and 2013, the allowance for doubtful accounts was $3.7 million and $2.9 million, respectively.

Inventory Valuation and Reserves

We value our inventory at standard cost which approximates landed cost, using the first-in, first-out method of cost determination. Market value is estimated based upon assumptions made about future demand and retail market conditions. If we determine that the estimated market value of our inventory is less than the carrying value of such inventory, we record a charge to cost of goods sold to reflect the lower of cost or market. If actual market conditions are less favorable than those we projected, further adjustments may be required that would increase the cost of goods sold in the period in which such a determination was made.

Goodwill, Intangible Assets and Long-Lived Assets

Goodwill and intangible assets are recorded at their estimated fair values at the date of acquisition and are allocated to the reporting units that are expected to receive the related benefits. Goodwill and indefinite lived intangible assets are not amortized and are required to be tested for impairment at least annually or sooner whenever events or changes in circumstances indicate that the assets may be impaired. In conducting an annual impairment test, we first review qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If factors indicate that is the case, we perform a quantitative assessment over relevant reporting units, analyzing the expected present value of future cash flows and quantify the amount of impairment, if any. We perform our annual impairment tests in the fourth quarter of each fiscal year.

We continually evaluate whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. These factors may include a significant deterioration of operating results, changes in business plans, or changes in anticipated cash flows. When factors indicate that an asset should be evaluated for possible impairment, we review long-lived assets to assess recoverability from future operations using undiscounted cash flows. If future undiscounted cash flows are less than the carrying value, an impairment is recognized in earnings to the extent that the carrying value exceeds fair value.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities at tax rates expected to be in effect when such assets or liabilities are realized or settled. Deferred income tax assets are reduced by valuation allowances when necessary.

Assessing whether deferred tax assets are realizable requires significant judgment. We consider all available positive and negative evidence, including historical operating performance and expectations of future operating performance. The ultimate realization of deferred tax assets is often dependent upon future taxable income and therefore can be uncertain. To the extent we believe it is more likely than not that all or some portion of the asset will not be realized, valuation allowances are established against our deferred tax assets, which increase income tax expense in the period when such a determination is made.

Income taxes include the largest amount of tax benefit for an uncertain tax position that is more likely than not to be sustained upon audit based on the technical merits of the tax position. Settlements with tax authorities, the expiration of statutes of limitations for particular tax positions, or obtaining new information on particular tax positions may cause a change to the effective tax rate. We recognize accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes on the consolidated statements of income.

Stock-Based Compensation

We account for stock-based compensation in accordance with accounting guidance that requires all stock-based compensation awards granted to employees and directors to be measured at fair value and recognized as an expense in the financial statements. As of December 31, 2014, we had $28.6 million of unrecognized compensation expense expected to be recognized over a weighted average period of 1.0 year. This unrecognized compensation expense does not include any expense related to performance-based restricted stock units for which the performance targets have not been achieved as of December 31, 2014.

The assumptions used in calculating the fair value of stock-based compensation awards represent management’s best estimates, but the estimates involve inherent uncertainties and the application of management judgment. In addition, compensation expense for performance-based awards is recorded over the related service period when achievement of the performance targets are deemed probable, which requires management judgment. For example, the achievement of certain operating income targets related to the performance-based restricted stock units granted in 2014 were not deemed probable as of December 31, 2014. Additional stock-based compensation of up to $2.7 million would have been recorded in 2014 for these performance-based restricted stock units had the full achievement of all operating targets been deemed probable. As a result, if

factors change and we use different assumptions, our stock-based compensation expense could be materially different in the future. Refer to Note 2 and Note 12 to the Consolidated Financial Statements for a further discussion on stock-based compensation.

Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update which supersedes the most current revenue recognition requirements. The new revenue recognition standard requires entities to recognize revenue in a way that depicts the transfer of goods or services to customers in an amount that reflects the consideration which the entity expects to be entitled to in exchange for those goods or services. This guidance is effective for annual and interim reporting periods beginning after December 15, 2016, with early adoption not permitted. We are currently evaluating the standard to determine the impact of its adoption on our consolidated financial statements.

In January 2015, the FASB issued an Accounting Standards Update which eliminates from GAAP the concept of extraordinary items and the need to separately classify, present, and disclose extraordinary events and transactions. This guidance is effective for annual and interim reporting periods beginning after December 15, 2015, with early adoption permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. The adoption of this pronouncement is not expected to impact our consolidated financial statements.

Recently Adopted Accounting Standards

In July 2013, the FASB issued an Accounting Standards Update which requires that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, with certain exceptions. This guidance is effective for annual and interim reporting periods beginning after December 15, 2013. The adoption of this pronouncement did not have a material impact on our consolidated financial statements.

In February 2013, the FASB issued an Accounting Standards Update which requires companies to present either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified from each component of accumulated other comprehensive income based on its source and the income statement line items affected by the reclassification. This guidance is effective for annual and interim reporting periods beginning after December 15, 2012. The adoption of this pronouncement did not have a material impact on our consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Foreign Currency Risk

We currently generate a majority of our consolidated net revenues in the United States, and the reporting currency for our consolidated financial statements is the U.S. dollar. As our net revenues and expenses generated outside of the United States increase, our results of operations could be adversely impacted by changes in foreign currency exchange rates. For example, as we recognize foreign revenues in local foreign currencies and if the U.S. dollar strengthens, it could have a negative impact on our foreign revenues upon translation of those results into the U.S. dollar upon consolidation of our financial statements. In addition, we are exposed to gains and losses resulting from fluctuations in foreign currency exchange rates on transactions generated by our foreign subsidiaries in currencies other than their local currencies. These gains and losses are primarily driven by intercompany transactions and inventory purchases denominated in currencies other than the functional currency of the purchasing entity. These exposures are included in other expense, net on the consolidated statements of income.

From time to time, we may elect to use foreign currency forward contracts to reduce the risk from exchange rate fluctuations primarily on intercompany transactions and projected inventory purchases for our international subsidiaries. As we expand our international business, we anticipate expanding our current hedging program to include additional currency pairs and instruments. We do not enter into derivative financial instruments for speculative or trading purposes.

As of December 31, 2014, the aggregate notional value of our outstanding foreign currency forward contracts was $123.3 million, which was comprised of Canadian Dollar/U.S. Dollar, Euro/U.S. Dollar, Yen/Euro, Mexican Peso/Euro and Pound Sterling/Euro currency pairs with contract maturities of one to eleven months. The foreign currency forward contracts outstanding as of December 31, 2014 have weighted average contractual forward foreign currency exchange rates of 1.13 CAD per $1.00, €0.83 per $1.00, 145.16 JPY per €1.00, 17.85 MXN per €1.00 and £0.78 per €1.00. The majority of our foreign currency forward contracts are not designated as cash flow hedges, and accordingly, changes in their fair value are recorded in earnings. During 2014, we began entering into foreign currency forward contracts designated as cash flow hedges. For foreign currency forward contracts designated as cash flow hedges, changes in fair value, excluding any ineffective portion, is recorded in other comprehensive income until net income is affected by the variability in cash flows of the hedged transaction. The

effective portion is generally released to net income after the maturity of the related derivative and is classified in the same manner as the underlying exposure. During the year ended December 31, 2014, we reclassified $0.4 million from other comprehensive income to cost of goods sold related to foreign currency forward contracts designated as cash flow hedges. The fair values of the Company's foreign currency forward contracts were assets of $806.0 thousand and $12.1 thousand as of December 31, 2014 and 2013, respectively, and were included in prepaid expenses and other current assets on the consolidated balance sheet. Refer to Note 9 to the Consolidated Financial Statements for a discussion of the fair value measurements. Included in other expense, net were the following amounts related to changes in foreign currency exchange rates and derivative foreign currency forward contracts:

	Year Ended December 31,		
(In thousands)	**2014**	**2013**	**2012**
Unrealized foreign currency exchange rate gains (losses)	$ (11,739)	$ (1,905)	$ 2,464
Realized foreign currency exchange rate gains (losses)	2,247	477	(182)
Unrealized derivative gains (losses)	1	13	675
Realized derivative gains (losses)	3,081	243	(3,030)

We enter into foreign currency forward contracts with major financial institutions with investment grade credit ratings and are exposed to credit losses in the event of non-performance by these financial institutions. This credit risk is generally limited to the unrealized gains in the foreign currency forward contracts. However, we monitor the credit quality of these financial institutions and consider the risk of counterparty default to be minimal. Although we have entered into foreign currency forward contracts to minimize some of the impact of foreign currency exchange rate fluctuations on future cash flows, we cannot be assured that foreign currency exchange rate fluctuations will not have a material adverse impact on our financial condition and results of operations.

Interest Rate Risk

In order to maintain liquidity and fund business operations, we enter into long term debt arrangements with various lenders which bear a range of fixed and variable rates of interest. The nature and amount of our long-term debt can be expected to vary as a result of future business requirements, market conditions and other factors. We may elect to enter into interest rate swap contracts to reduce the impact associated with interest rate fluctuations. We utilize interest rate swap contracts to convert a portion of variable rate debt to fixed rate debt. The contracts pay fixed and receive variable rates of interest. The interest rate swap contracts are accounted for as cash flow hedges and accordingly, the effective portion of the changes in fair value are recorded in other comprehensive income and reclassified into interest expense over the life of the underlying debt obligation.

As of December 31, 2014, the aggregate notional value of our outstanding interest rate swap contracts was $188.1 million. During the years ended December 31, 2014 and 2013, we recorded a $1.7 million and $0.3 million increase in interest expense, respectively, representing the effective portion of the contracts reclassified from accumulated other comprehensive income. The fair value of the interest rate swap contracts was a liability of $0.6 million as of December 31, 2014, and was included in other long term liabilities on the consolidated balance sheet. The fair value of the interest rate swap contract was an asset of $1.1 million as of December 31, 2013 and was included in other long term assets on the consolidated balance sheet.

Credit Risk

We are exposed to credit risk primarily on our accounts receivable. We provide credit to customers in the ordinary course of business and perform ongoing credit evaluations. We believe that our exposure to concentrations of credit risk with respect to trade receivables is largely mitigated by our customer base. We believe that our allowance for doubtful accounts is sufficient to cover customer credit risks as of December 31, 2014.

Inflation

Inflationary factors such as increases in the cost of our product and overhead costs may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations in recent periods, a high rate of inflation in the future may have an adverse effect on our ability to maintain current levels of gross margin and selling, general and administrative expenses as a percentage of net revenues if the selling prices of our products do not increase with these increased costs.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Management on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. We conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on our evaluation, we have concluded that our internal control over financial reporting was effective as of December 31, 2014.

The effectiveness of our internal control over financial reporting as of December 31, 2014, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears herein.

/s/ KEVIN A. PLANK **Kevin A. Plank**	Chairman of the Board of Directors and Chief Executive Officer
/s/ BRAD DICKERSON **Brad Dickerson**	Chief Financial Officer

Dated: February 20, 2015

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Under Armour, Inc.

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Under Armour, Inc. and its subsidiaries (the "Company") at December 31, 2014 and December 31, 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013. The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Baltimore, Maryland
February 20, 2015

Under Armour, Inc. and Subsidiaries

Consolidated Balance Sheets
(In thousands, except share data)

	December 31, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	$ 593,175	$ 347,489
Accounts receivable, net	279,835	209,952
Inventories	536,714	469,006
Prepaid expenses and other current assets	87,177	63,987
Deferred income taxes	52,498	38,377
Total current assets	1,549,399	1,128,811
Property and equipment, net	305,564	223,952
Goodwill	123,256	122,244
Intangible assets, net	26,230	24,097
Deferred income taxes	33,570	31,094
Other long term assets	57,064	47,543
Total assets	$ 2,095,083	$ 1,577,741
Liabilities and Stockholders' Equity		
Current liabilities		
Revolving credit facility	$ —	$ 100,000
Accounts payable	210,432	165,456
Accrued expenses	147,681	133,729
Current maturities of long term debt	28,951	4,972
Other current liabilities	34,563	22,473
Total current liabilities	421,627	426,630
Long term debt, net of current maturities	255,250	47,951
Other long term liabilities	67,906	49,806
Total liabilities	744,783	524,387
Commitments and contingencies (see Note 7)		
Stockholders' equity		
Class A Common Stock, $0.0003 1/3 par value; 400,000,000 shares authorized as of December 31, 2014 and 2013; 177,295,988 shares issued and outstanding as of December 31, 2014 and 171,628,708 shares issued and outstanding as of December 31, 2013.	59	57
Class B Convertible Common Stock, $0.0003 1/3 par value; 36,600,000 shares authorized, issued and outstanding as of December 31, 2014 and 40,000,000 shares authorized, issued and outstanding as of December 31, 2013.	12	13
Additional paid-in capital	508,350	397,248
Retained earnings	856,687	653,842
Accumulated other comprehensive income (loss)	(14,808)	2,194
Total stockholders' equity	1,350,300	1,053,354
Total liabilities and stockholders' equity	$ 2,095,083	$ 1,577,741

See accompanying notes.

Under Armour, Inc. and Subsidiaries

Consolidated Statements of Income
(In thousands, except per share amounts)

	Year Ended December 31,		
	2014	2013	2012
Net revenues	$ 3,084,370	$ 2,332,051	$ 1,834,921
Cost of goods sold	1,572,164	1,195,381	955,624
Gross profit	1,512,206	1,136,670	879,297
Selling, general and administrative expenses	1,158,251	871,572	670,602
Income from operations	353,955	265,098	208,695
Interest expense, net	(5,335)	(2,933)	(5,183)
Other expense, net	(6,410)	(1,172)	(73)
Income before income taxes	342,210	260,993	203,439
Provision for income taxes	134,168	98,663	74,661
Net income	$ 208,042	$ 162,330	$ 128,778
Net income available per common share			
Basic	$ 0.98	$ 0.77	$ 0.62
Diluted	$ 0.95	$ 0.75	$ 0.61
Weighted average common shares outstanding			
Basic	213,227	210,696	208,686
Diluted	219,380	215,958	212,760

See accompanying notes.

Under Armour, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
(In thousands)

	Year Ended December 31,		
	2014	2013	2012
Net income	$ 208,042	$ 162,330	$ 128,778
Other comprehensive income (loss):			
Foreign currency translation adjustment	(16,743)	(897)	423
Unrealized gain (loss) on cash flow hedge, net of tax of ($408), $505 and $58 for the years ended December 31, 2014, 2013 and 2012.	(259)	723	(83)
Total other comprehensive income (loss)	(17,002)	(174)	340
Comprehensive income	$ 191,040	$ 162,156	$ 129,118

See accompanying notes.

Under Armour, Inc. and Subsidiaries

Consolidated Statements of Stockholders' Equity
(In thousands)

	Class A Common Stock		Class B Convertible Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2011	161,984	$ 54	45,000	$ 14	$ 268,172	$ 366,164	$ 2,028	$ 636,432
Exercise of stock options	2,436	2	—	—	12,370	—	—	12,372
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	(76)	—	—	—	—	(1,761)	—	(1,761)
Issuance of Class A Common Stock, net of forfeitures	178	—	—	—	3,246	—	—	3,246
Class B Convertible Common Stock converted to Class A Common Stock	2,400	—	(2,400)	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	19,845	—	—	19,845
Net excess tax benefits from stock-based compensation arrangements	—	—	—	—	17,670	—	—	17,670
Comprehensive income	—	—	—	—	—	128,778	340	129,118
Balance as of December 31, 2012	166,922	56	42,600	14	321,303	493,181	2,368	816,922
Exercise of stock options	1,822	—	—	—	12,159	—	—	12,159
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	(47)	—	—	—	—	(1,669)	—	(1,669)
Issuance of Class A Common Stock, net of forfeitures	332	—	—	—	3,439	—	—	3,439
Class B Convertible Common Stock converted to Class A Common Stock	2,600	1	(2,600)	(1)	—	—	—	—
Stock-based compensation expense	—	—	—	—	43,184	—	—	43,184
Net excess tax benefits from stock-based compensation arrangements	—	—	—	—	17,163	—	—	17,163
Comprehensive income	—	—	—	—	—	162,330	(174)	162,156
Balance as of December 31, 2013	171,629	57	40,000	13	397,248	653,842	2,194	1,053,354
Exercise of stock options	1,454	1	—	—	11,258	—	—	11,259
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	(95)	—	—	—	—	(5,197)	—	(5,197)
Issuance of Class A Common Stock, net of forfeitures	908	—	—	—	12,067	—	—	12,067
Class B Convertible Common Stock converted to Class A Common Stock	3,400	1	(3,400)	(1)	—	—	—	—
Stock-based compensation expense	—	—	—	—	50,812	—	—	50,812
Net excess tax benefits from stock-based compensation arrangements	—	—	—	—	36,965	—	—	36,965
Comprehensive income (loss)	—	—	—	—	—	208,042	(17,002)	191,040
Balance as of December 31, 2014	177,296	$ 59	36,600	$ 12	$ 508,350	$ 856,687	$ (14,808)	$ 1,350,300

See accompanying notes.

Under Armour, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31,		
	2014	**2013**	**2012**
Cash flows from operating activities			
Net income	$ 208,042	$ 162,330	$ 128,778
Adjustments to reconcile net income to net cash used in operating activities			
Depreciation and amortization	72,093	50,549	43,082
Unrealized foreign currency exchange rate losses (gains)	11,739	1,905	(2,464)
Loss on disposal of property and equipment	261	332	524
Stock-based compensation	50,812	43,184	19,845
Deferred income taxes	(17,584)	(18,832)	(12,973)
Changes in reserves and allowances	31,350	13,945	13,916
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(101,057)	(35,960)	(53,433)
Inventories	(84,658)	(156,900)	4,699
Prepaid expenses and other assets	(33,345)	(19,049)	(4,060)
Accounts payable	49,137	14,642	35,370
Accrued expenses and other liabilities	28,856	56,481	21,966
Income taxes payable and receivable	3,387	7,443	4,511
Net cash provided by operating activities	219,033	120,070	199,761
Cash flows from investing activities			
Purchases of property and equipment	(140,528)	(87,830)	(50,650)
Purchase of business	(10,924)	(148,097)	—
Purchases of other assets	(860)	(475)	(1,310)
Change in loans receivable	—	(1,700)	—
Change in restricted cash	—	—	5,029
Net cash used in investing activities	(152,312)	(238,102)	(46,931)
Cash flows from financing activities			
Proceeds from revolving credit facility	—	100,000	—
Payments on revolving credit facility	(100,000)	—	—
Proceeds from term loan	250,000	—	—
Payments on term loan	(13,750)	—	(25,000)
Proceeds from long term debt	—	—	50,000
Payments on long term debt	(4,972)	(5,471)	(44,330)
Excess tax benefits from stock-based compensation arrangements	36,965	17,167	17,868
Proceeds from exercise of stock options and other stock issuances	15,776	15,099	14,776
Payments of debt financing costs	(1,713)	—	(1,017)
Net cash provided by financing activities	182,306	126,795	12,297
Effect of exchange rate changes on cash and cash equivalents	(3,341)	(3,115)	1,330
Net increase in cash and cash equivalents	245,686	5,648	166,457
Cash and cash equivalents			
Beginning of period	347,489	341,841	175,384
End of period	$ 593,175	$ 347,489	$ 341,841
Non-cash investing and financing activities			
Increase in accrual for property and equipment	$ 4,922	$ 3,786	$ 12,137
Non-cash acquisition of business	11,233	—	—
Other supplemental information			
Cash paid for income taxes	103,284	85,570	57,739
Cash paid for interest, net of capitalized interest	4,146	1,505	3,306

See accompanying notes.

Under Armour, Inc. and Subsidiaries

Notes to the Audited Consolidated Financial Statements

1. Description of the Business

Under Armour, Inc. is a developer, marketer and distributor of branded performance apparel, footwear and accessories. These products are sold worldwide and worn by athletes at all levels, from youth to professional on playing fields around the globe, as well as by consumers with active lifestyles.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements include the accounts of Under Armour, Inc. and its wholly owned subsidiaries (the "Company"). All intercompany balances and transactions have been eliminated. The accompanying consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

On June 11, 2012 and March 17, 2014 the Board of Directors declared two-for-one stock splits of the Company's Class A and Class B common stock, which were effected in the form of a 100% common stock dividend distributed on July 9, 2012 and April 14, 2014, respectively. Stockholders' equity and all references to share and per share amounts in the accompanying consolidated financial statements have been retroactively adjusted to reflect these two-for-one stock splits for all periods presented.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at date of inception to be cash and cash equivalents. Included in interest expense, net for the years ended December 31, 2014, 2013 and 2012 was interest income of $192.0 thousand, $23.7 thousand and $25.2 thousand, respectively, related to cash and cash equivalents.

Concentration of Credit Risk

Financial instruments that subject the Company to significant concentration of credit risk consist primarily of accounts receivable. The majority of the Company's accounts receivable is due from large sporting goods retailers. Credit is extended based on an evaluation of the customer's financial condition and collateral is not required. The Company had two customers in North America that individually accounted for 23.4% and 11.1% of accounts receivable as of December 31, 2014. The Company's largest customer accounted for 14.4%, 16.6% and 16.6% of net revenues for the years ended December 31, 2014, 2013 and 2012, respectively.

Allowance for Doubtful Accounts

The Company makes ongoing estimates relating to the collectability of accounts receivable and maintains an allowance for estimated losses resulting from the inability of its customers to make required payments. In determining the amount of the reserve, the Company considers historical levels of credit losses and significant economic developments within the retail environment that could impact the ability of its customers to pay outstanding balances and makes judgments about the creditworthiness of significant customers based on ongoing credit evaluations. Because the Company cannot predict future changes in the financial stability of its customers, actual future losses from uncollectible accounts may differ from estimates. If the financial condition of customers were to deteriorate, resulting in their inability to make payments, a larger reserve might be required. In the event the Company determines a smaller or larger reserve is appropriate, it would record a benefit or charge to selling, general and administrative expense in the period in which such a determination was made. As of December 31, 2014 and 2013, the allowance for doubtful accounts was $3.7 million and $2.9 million, respectively.

Inventories

Inventories consist primarily of finished goods. Costs of finished goods inventories include all costs incurred to bring inventory to its current condition, including inbound freight, duties and other costs. The Company values its inventory at standard cost which approximates landed cost, using the first-in, first-out method of cost determination. Market value is estimated based upon assumptions made about future demand and retail market conditions. If the Company determines that the estimated market value of its inventory is less than the carrying value of such inventory, it records a charge to cost of goods sold to reflect the lower of cost or market. If actual market conditions are less favorable than those projected by the Company, further adjustments may be required that would increase the cost of goods sold in the period in which such a determination was made.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities at tax rates expected to be in effect when such assets or liabilities are realized or settled. Deferred income tax assets are reduced by valuation allowances when necessary.

Assessing whether deferred tax assets are realizable requires significant judgment. The Company considers all available positive and negative evidence, including historical operating performance and expectations of future operating performance. The ultimate realization of deferred tax assets is often dependent upon future taxable income and therefore can be uncertain. To the extent the Company believes it is more likely than not that all or some portion of the asset will not be realized, valuation allowances are established against the Company's deferred tax assets, which increase income tax expense in the period when such a determination is made.

Income taxes include the largest amount of tax benefit for an uncertain tax position that is more likely than not to be sustained upon audit based on the technical merits of the tax position. Settlements with tax authorities, the expiration of statutes of limitations for particular tax positions, or obtaining new information on particular tax positions may cause a change to the effective tax rate. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes on the consolidated statements of income.

Property and Equipment

Property and equipment are stated at cost, including the cost of internal labor for software customized for internal use, less accumulated depreciation and amortization. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets: 3 to 10 years for furniture, office equipment, software and plant equipment and 10 to 35 years for site improvements, buildings and building equipment. Leasehold and tenant improvements are amortized over the shorter of the lease term or the estimated useful lives of the assets. The cost of in-store apparel and footwear fixtures and displays are capitalized, included in furniture, fixtures and displays, and depreciated over 3 years. The Company periodically reviews assets' estimated useful lives based upon actual experience and expected future utilization. A change in useful life is treated as a change in accounting estimate and is applied prospectively.

The Company capitalizes the cost of interest for long term property and equipment projects based on the Company's weighted average borrowing rates in place while the projects are in progress. Capitalized interest was $0.4 million and $0.4 million as of December 31, 2014 and 2013, respectively.

Upon retirement or disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in selling, general and administrative expenses for that period. Major additions and betterments are capitalized to the asset accounts while maintenance and repairs, which do not improve or extend the lives of assets, are expensed as incurred.

Goodwill, Intangible Assets and Long-Lived Assets

Goodwill and intangible assets are recorded at their estimated fair values at the date of acquisition and are allocated to the reporting units that are expected to receive the related benefits. Goodwill and indefinite lived intangible assets are not amortized and are required to be tested for impairment at least annually or sooner whenever events or changes in circumstances indicate that the assets may be impaired. In conducting an annual impairment test, the Company first reviews qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If factors indicate that is the case, the Company performs a quantitative assessment over relevant reporting units, analyzing the expected present value of future cash flows and quantify the amount of impairment, if any. The Company performs its annual impairment tests in the fourth quarter of each fiscal year.

The Company continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. These factors may include a significant deterioration of operating results, changes in business plans, or changes in anticipated cash flows. When factors indicate that an asset should be evaluated for possible impairment, the Company reviews long-lived assets to assess recoverability from future operations using undiscounted cash flows. If future undiscounted cash flows are less than the carrying value, an impairment is recognized in earnings to the extent that the carrying value exceeds fair value.

Accrued Expenses

At December 31, 2014, accrued expenses primarily included $61.4 million and $14.0 million of accrued compensation and benefits and marketing expenses, respectively. At December 31, 2013, accrued expenses primarily included $56.7 million and $11.9 million of accrued compensation and benefits and marketing expenses, respectively.

Foreign Currency Translation and Transactions

The functional currency for each of the Company's wholly owned foreign subsidiaries is generally the applicable local currency. The translation of foreign currencies into U.S. dollars is performed for assets and liabilities using current foreign currency exchange rates in effect at the balance sheet date and for revenue and expense accounts using average foreign currency exchange rates during the period. Capital accounts are translated at historical foreign currency exchange rates. Translation gains and losses are included in stockholders' equity as a component of accumulated other comprehensive income. Adjustments that arise from foreign currency exchange rate changes on transactions, primarily driven by intercompany transactions, denominated in a currency other than the functional currency are included in other expense, net on the consolidated statements of income.

Derivatives and Hedging Activities

The Company uses derivative financial instruments in the form of foreign currency forward and interest rate swap contracts to minimize the risk associated with foreign currency exchange rate and interest rate fluctuations. The Company accounts for derivative financial instruments pursuant to applicable accounting guidance. This guidance establishes accounting and reporting standards for derivative financial instruments and requires all derivatives to be recognized as either assets or liabilities on the balance sheet and to be measured at fair value. Unrealized derivative gain positions are recorded as other current assets or other long term assets, and unrealized derivative loss positions are recorded as accrued expenses or other long term liabilities, depending on the derivative financial instrument's maturity date.

Currently, the majority of the Company's foreign currency forward contracts are not designated as cash flow hedges, and accordingly, changes in their fair value are included in other expense, net on the consolidated statements of income. During 2014, the Company began entering into foreign currency forward contracts designated as cash flow hedges, and consequently, changes in fair value, excluding any ineffective portion, are recorded in other comprehensive income until net income is affected by the variability in cash flows of the hedged transaction. The effective portion is generally released to net income after the maturity of the related derivative and is classified in the same manner as the underlying exposure. Additionally, the Company has designated its interest rate swap contract as a cash flow hedge and accordingly, the effective portion of changes in fair value are recorded in other comprehensive income and reclassified into interest expense over the life of the underlying debt obligation. The ineffective portion, if any, is recognized in current period earnings. The Company does not enter into derivative financial instruments for speculative or trading purposes.

Revenue Recognition

The Company recognizes revenue pursuant to applicable accounting standards. Net revenues consist of both net sales and license and other revenues. Net sales are recognized upon transfer of ownership, including passage of title to the customer and transfer of risk of loss related to those goods. Transfer of title and risk of loss is based upon shipment under free on board shipping point for most goods or upon receipt by the customer depending on the country of the sale and the agreement with the customer. In some instances, transfer of title and risk of loss takes place at the point of sale, for example, at the Company's brand and factory house stores. The Company may also ship product directly from its supplier to the customer and recognize revenue when the product is delivered to and accepted by the customer. License and other revenues are primarily recognized based upon shipment of licensed products sold by the Company's licensees. Sales taxes imposed on the Company's revenues from product sales are presented on a net basis on the consolidated statements of income and therefore do not impact net revenues or costs of goods sold.

The Company records reductions to revenue for estimated customer returns, allowances, markdowns and discounts. The Company bases its estimates on historical rates of customer returns and allowances as well as the specific identification of outstanding returns, markdowns and allowances that have not yet been received by the Company. The actual amount of customer returns and allowances, which is inherently uncertain, may differ from the Company's estimates. If the Company determines that actual or expected returns or allowances are significantly higher or lower than the reserves it established, it would record a reduction or increase, as appropriate, to net sales in the period in which it makes such a determination. Provisions for customer specific discounts are based on contractual obligations with certain major customers. Reserves for returns, allowances, markdowns and discounts are recorded as an offset to accounts receivable as settlements are made through offsets to outstanding customer invoices. As of December 31, 2014 and 2013, there were $68.9 million and $43.8 million, respectively, in reserves for customer returns, allowances, markdowns and discounts.

Advertising Costs

Advertising costs are charged to selling, general and administrative expenses. Advertising production costs are expensed the first time an advertisement related to such production costs is run. Media (television, print and radio) placement costs are expensed in the month during which the advertisement appears, and costs related to event sponsorships are expensed when the event occurs. In addition, advertising costs include sponsorship expenses. Accounting for sponsorship payments is based upon specific contract provisions and the payments are generally expensed uniformly over the term of the contract after recording expense related to specific performance incentives once they are deemed probable. Advertising expense, including amortization of in-store marketing fixtures and displays, was $333.0 million, $246.5 million and $205.4 million for the years ended December 31, 2014, 2013 and 2012, respectively. At December 31, 2014 and 2013, prepaid advertising costs were $31.1 million and $22.0 million, respectively.

Shipping and Handling Costs

The Company charges certain customers shipping and handling fees. These fees are recorded in net revenues. The Company includes the majority of outbound handling costs as a component of selling, general and administrative expenses. Outbound handling costs include costs associated with preparing goods to ship to customers and certain costs to operate the Company’s distribution facilities. These costs, included within selling, general and administrative expenses, were $55.3 million, $46.1 million and $34.8 million for the years ended December 31, 2014, 2013 and 2012, respectively. The Company includes outbound freight costs associated with shipping goods to customers as a component of cost of goods sold.

Minority Investment

The Company holds a minority investment in Dome Corporation (“Dome”), the Company’s Japanese licensee. The Company invested ¥1,140.0 million, or $15.5 million, in exchange for 19.5% common stock ownership in Dome. As of December 31, 2014 and 2013, the carrying value of the Company’s investment was $13.4 million and $15.2 million, respectively, and was included in other long term assets on the consolidated balance sheet. The investment is subject to foreign currency translation rate fluctuations as it is held by the Company’s European subsidiary.

The Company accounts for its investment in Dome under the cost method given that it does not have the ability to exercise significant influence. Additionally, the Company concluded that no event or change in circumstances occurred during the year ended December 31, 2014 that may have a significant adverse effect on the fair value of the investment.

Earnings per Share

Basic earnings per common share is computed by dividing net income available to common stockholders for the period by the weighted average number of common shares outstanding during the period. Any stock-based compensation awards that are determined to be participating securities, which are stock-based compensation awards that entitle the holders to receive dividends prior to vesting, are included in the calculation of basic earnings per share using the two class method. Diluted earnings per common share is computed by dividing net income available to common stockholders for the period by the diluted weighted average common shares outstanding during the period. Diluted earnings per share reflects the potential dilution from common shares issuable through stock options, warrants, restricted stock units and other equity awards. Refer to Note 11 for further discussion of earnings per share.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with accounting guidance that requires all stock-based compensation awards granted to employees and directors to be measured at fair value and recognized as an expense in the financial statements. In addition, this guidance requires that excess tax benefits related to stock-based compensation awards be reflected as financing cash flows.

The Company uses the Black-Scholes option-pricing model to estimate the fair market value of stock-based compensation awards. The Company uses the “simplified method” to estimate the expected life of options, as permitted by accounting guidance. The “simplified method” calculates the expected life of a stock option equal to the time from grant to the midpoint between the vesting date and contractual term, taking into account all vesting tranches. The risk free interest rate is based on the yield for the U.S. Treasury bill with a maturity equal to the expected life of the stock option. Expected volatility is based on the Company's historical average. Compensation expense is recognized net of forfeitures on a straight-line basis over the total vesting period, which is the implied requisite service period. Compensation expense for performance-based awards is recorded over the implied requisite service period when achievement of the performance target is deemed probable. The forfeiture rate is estimated at the date of grant based on historical rates.

The Company issues new shares of Class A Common Stock upon exercise of stock options, grant of restricted stock or share unit conversion. Refer to Note 12 for further details on stock-based compensation.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Fair Value of Financial Instruments

The carrying amounts shown for the Company’s cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short term maturity of those instruments. The fair value of the long term debt approximates its carrying value based on the variable nature of interest rates and current market rates available to the Company. The fair value of foreign currency forward contracts is based on the net difference between the U.S. dollars to be received or paid at the contracts’ settlement date and the U.S. dollar value of the foreign currency to be sold or purchased at the current forward exchange rate. The fair value of the interest rate swap contract is based on the net difference between the fixed interest to be paid and variable interest to be received over the term of the contract based on current market rates.

Recently Issued Accounting Standards

In May 2014, the Financial Accounting Standards Board (“FASB”) issued an Accounting Standards Update which supersedes the most current revenue recognition requirements. The new revenue recognition standard requires entities to recognize revenue in a way that depicts the transfer of goods or services to customers in an amount that reflects the consideration which the entity expects to be entitled to in exchange for those goods or services. This guidance is effective for annual and interim reporting periods beginning after December 15, 2016, with early adoption not permitted. The Company is currently evaluating the standard to determine the impact of its adoption on the Company's consolidated financial statements.

In January 2015, the FASB issued an Accounting Standards Update which eliminates from GAAP the concept of extraordinary items and the need to separately classify, present, and disclose extraordinary events and transactions. This guidance is effective for annual and interim reporting periods beginning after December 15, 2015, with early adoption permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. The adoption of this pronouncement is not expected to impact the Company's consolidated financial statements.

Recently Adopted Accounting Standards

In July 2013, the FASB issued an Accounting Standards Update which requires that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, with certain exceptions. This guidance is effective for annual and interim reporting periods beginning after December 15, 2013. The adoption of this pronouncement did not have a material impact on the Company's consolidated financial statements.

In February 2013, the FASB issued an Accounting Standards Update which requires companies to present either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified from each component of accumulated other comprehensive income based on its source and the income statement line items affected by the reclassification. This guidance is effective for annual and interim reporting periods beginning after December 15, 2012. The adoption of this pronouncement did not have a material impact on the Company's consolidated financial statements.

3. Acquisitions

MapMyFitness

On December 6, 2013, the Company acquired 100% of the outstanding equity of MapMyFitness, Inc., a digital connected fitness platform, for $150.0 million in cash. The purchase price was financed through $100.0 million in debt under the Company's existing revolving credit facility and cash on hand.

The acquisition was accounted for as a business combination. The Company allocated the total purchase price to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date, with the remaining unallocated purchase price recorded as goodwill. As a result of the initial purchase price allocation, the Company recorded intangible assets of $20.6 million, goodwill of $122.2 million, and other net assets of $6.6 million, primarily consisting of $4.7 million of net deferred tax assets.

Intangible assets consist of $12.0 million of technology, $5.0 million of trade name, and $3.6 million of customer relationships. The Company estimated the acquisition date fair values of the intangible assets based on income based discounted cash flow models using estimates and assumptions regarding future operations. The Company will amortize the intangible assets on a straight-line basis over their estimated useful lives of two to seven years.

The goodwill recorded as a result of the acquisition primarily reflects unidentified intangible assets acquired, including the value of integrating and innovating acquired technologies and engaging and growing the digital community. The acquired goodwill has been allocated primarily within the Company's North America operating segment as well as the MapMyFitness operating segment. The goodwill associated with this acquisition is not deductible for tax purposes.

In connection with this acquisition, the Company incurred acquisition related expenses of approximately $2.5 million. These expenses were included in selling, general and administrative expenses on the consolidated statements of income during the year ended December 31, 2013. This acquisition did not have a material impact to the Company’s consolidated statements of income during the year ended December 31, 2013.

During the three months ended March 31, 2014, the Company finalized its valuation of the assets acquired and liabilities assumed as of the acquisition date and no adjustments were made to the preliminary purchase price allocation recorded as of December 31, 2013.

4. Property and Equipment, Net

Property and equipment consisted of the following:

	December 31,	
(In thousands)	**2014**	**2013**
Leasehold and tenant improvements	$ 128,088	$ 97,776
Furniture, fixtures and displays	80,035	68,045
Buildings	46,419	45,903
Software	67,506	51,984
Office equipment	51,531	39,551
Plant equipment	70,317	45,509
Land	17,628	17,628
Construction in progress	57,677	28,471
Other	3,175	1,219
Subtotal property and equipment	522,376	396,086
Accumulated depreciation	(216,812)	(172,134)
Property and equipment, net	$ 305,564	$ 223,952

Construction in progress primarily includes costs incurred for software systems, leasehold improvements and in-store fixtures and displays not yet placed in use.

Depreciation expense related to property and equipment was $63.6 million, $48.3 million and $39.8 million for the years ended December 31, 2014, 2013 and 2012, respectively.

5. Goodwill and Intangible Assets, Net

The following table summarizes changes in the carrying amount of the Company’s goodwill by reportable segment as of the periods indicated:

(In thousands)	**North America**	**Other foreign countries and businesses**	**Total**
Balance as of December 31, 2013	$ 119,799	$ 2,445	$ 122,244
Goodwill acquired	—	1,012	1,012
Balance as of December 31, 2014	$ 119,799	$ 3,457	$ 123,256

During 2014, the Company acquired $1.0 million of goodwill in connection with the acquisition of certain assets of its former distributor in Mexico, which was accounted for as a business combination.

The following table summarizes the Company's intangible assets as of the periods indicated:

(In thousands)	December 31, 2014 Gross Carrying Amount	December 31, 2014 Accumulated Amortization	December 31, 2014 Net Carrying Amount	December 31, 2013 Gross Carrying Amount	December 31, 2013 Accumulated Amortization	December 31, 2013 Net Carrying Amount
Intangible assets subject to amortization:						
Technology	$ 12,000	$ (1,907)	$ 10,093	$ 12,000	$ (126)	$ 11,874
Trade name	5,000	(1,353)	3,647	5,000	(53)	4,947
Customer relationships	11,927	(4,692)	7,235	3,600	(38)	3,562
Lease-related intangible assets	3,896	(2,762)	1,134	3,896	(2,605)	1,291
Other	2,196	(893)	1,303	1,266	(532)	734
Total	$ 35,019	$ (11,607)	$ 23,412	$ 25,762	$ (3,354)	$ 22,408
Indefinite-lived intangible assets			2,818			1,689
Intangible assets, net			$ 26,230			$ 24,097

Technology, trade-name and customer relationship intangible assets were acquired with the purchase of MapMyFitness and are amortized on a straight-line basis over 84 months, 48 months and 24 months, respectively. Customer relationship intangible assets were also acquired with the acquisition of certain assets of the Company's former distributor in Mexico and are amortized on a straight-line basis over 36 months. Lease-related intangible assets were acquired with the purchase of the Company's corporate headquarters and are amortized over the remaining third party lease terms, which ranged from 9 months to 15 years on the date of purchase. Other intangible assets are amortized using estimated useful lives of 55 months to 120 months with no residual value. Amortization expense, which is included in selling, general and administrative expenses, was $8.5 million, $1.6 million and $2.2 million for the years ended December 31, 2014, 2013 and 2012, respectively. The following is the estimated amortization expense for the Company's intangible assets as of December 31, 2014:

(In thousands)	
2015	$ 7,862
2016	6,118
2017	3,236
2018	2,074
2019	1,966
2020 and thereafter	2,156
Amortization expense of intangible assets	$ 23,412

At December 31, 2014, 2013 and 2012, the Company determined that its goodwill and indefinite-lived intangible assets were not impaired.

6. Credit Facility and Long Term Debt

Credit Facility

In May 2014, the Company entered into a new unsecured $650.0 million credit facility and terminated its prior $325.0 million secured revolving credit facility. The credit agreement has a term of five years through May 2019, with permitted extensions under certain circumstances. The credit agreement provides for a committed revolving credit facility of $400.0 million, in addition to an aggregate term loan commitment of $250.0 million, consisting of a $150.0 million term loan, drawn at the closing of the credit agreement, and $100.0 million delayed draw term loan drawn in November 2014 for general corporate purposes. At the Company's request and the lenders' consent, the revolving credit facility or term loans may be increased by up to an additional $150.0 million. Borrowings under the revolving credit facility may be made in U.S. Dollars, Euros, Pounds Sterling, Japanese Yen and Canadian Dollars. Up to $50.0 million of the facility may be used for the issuance of letters of credit and up to $50.0 million of the facility may be used for the issuance of swingline loans. There were no significant letters of credit and no swingline loans outstanding as of December 31, 2014.

The credit agreement contains negative covenants that, subject to significant exceptions, limit the ability of the Company and its subsidiaries to, among other things, incur additional indebtedness, make restricted payments, pledge their assets as security, make investments, loans, advances, guarantees and acquisitions, undergo fundamental changes and enter into transactions with affiliates. The Company is also required to maintain a ratio of consolidated EBITDA, as defined in the credit agreement, to consolidated interest expense of not less than 3.50 to 1.00 and is not permitted to allow the ratio of consolidated total indebtedness to consolidated EBITDA to be greater than 3.25 to 1.00 ("consolidated leverage ratio"). As of December 31, 2014, the Company was in compliance with these ratios. In addition, the credit agreement contains events of default that are

customary for a facility of this nature, and includes a cross default provision whereby an event of default under other material indebtedness, as defined in the credit agreement, will be considered an event of default under the credit agreement.

Borrowings under the credit agreement bear interest at a rate per annum equal to, at the Company's option, either (a) an alternate base rate, or (b) a rate based on the rates applicable for deposits in the interbank market for U.S. Dollars or the applicable currency in which the loans are made ("adjusted LIBOR"), plus in each case an applicable margin. The applicable margin for loans will be adjusted by reference to a grid (the "Pricing Grid") based on the consolidated leverage ratio and ranges between 1.00% to 1.25% for adjusted LIBOR loans and 0.00% to 0.25% for alternate base rate loans. The interest rate under both term loans was 1.2% during the year ended December 31, 2014. No balance was outstanding under the Company's revolving credit facility as of December 31, 2014. Additionally, the Company pays a commitment fee on the average daily unused amount of the revolving credit facility, a ticking fee on the undrawn amounts under the delayed draw term loan and certain fees with respect to letters of credit. As of December 31, 2014, the commitment fee was 12.5 basis points.

The Company used $100.0 million of the proceeds from the $150.0 million loan to repay the $100.0 million outstanding under the Company's prior revolving credit facility. The Company incurred and capitalized $1.7 million in deferred financing costs in connection with the credit facility.

Other Long Term Debt

The Company has long term debt agreements with various lenders to finance the acquisition or lease of qualifying capital investments. Loans under these agreements are collateralized by a first lien on the related assets acquired. At December 31, 2014, 2013 and 2012, the outstanding principal balance under these agreements was $2.0 million, $4.9 million and $11.9 million, respectively. Currently, advances under these agreements bear interest rates which are fixed at the time of each advance. The weighted average interest rates on outstanding borrowings were 3.1%, 3.3% and 3.7% for the years ended December 31, 2014, 2013 and 2012, respectively.

In December 2012, the Company entered into a $50.0 million recourse loan collateralized by the land, buildings and tenant improvements comprising the Company's corporate headquarters. The loan has a seven year term and maturity date of December 2019. The loan bears interest at one month LIBOR plus a margin of 1.50%, and allows for prepayment without penalty. The loan includes covenants and events of default substantially consistent with the new credit agreement discussed above. The loan also requires prior approval of the lender for certain matters related to the property, including transfers of any interest in the property. As of December 31, 2014, 2013 and 2012, the outstanding balance on the loan was $46.0 million, $48.0 million and $50.0 million, respectively. The weighted average interest rate on the loan was 1.7% for the years ended December 31, 2014, 2013 and 2012.

The following are the scheduled maturities of long term debt as of December 31, 2014:

(In thousands)		
2015	$	28,951
2016		27,000
2017		27,000
2018		27,000
2019		138,250
2020 and thereafter		36,000
Total scheduled maturities of long term debt		284,201
Less current maturities of long term debt		(28,951)
Long term debt obligations	$	255,250

Interest expense, net was $5.3 million, $2.9 million and $5.2 million for the years ended December 31, 2014, 2013 and 2012, respectively. Interest expense includes the amortization of deferred financing costs and interest expense under the credit and long term debt facilities.

The Company monitors the financial health and stability of its lenders under the credit and other long term debt facilities, however during any period of significant instability in the credit markets lenders could be negatively impacted in their ability to perform under these facilities.

7. Commitments and Contingencies

Obligations Under Operating Leases

The Company leases warehouse space, office facilities, space for its brand and factory house stores and certain equipment under non-cancelable operating leases. The leases expire at various dates through 2028, excluding extensions at the Company's option, and include provisions for rental adjustments. The table below includes executed lease agreements for brand and factory house stores that the Company did not yet occupy as of December 31, 2014 and does not include contingent rent the Company may incur at its stores based on future sales above a specified minimum or payments made for maintenance, insurance and real estate taxes. The following is a schedule of future minimum lease payments for non-cancelable real property operating leases as of December 31, 2014 as well as significant operating lease agreements entered into during the period after December 31, 2014 through the date of this report:

(In thousands)		
2015	$	56,452
2016		57,079
2017		52,172
2018		48,345
2019		44,313
2020 and thereafter		214,214
Total future minimum lease payments	$	472,575

Included in selling, general and administrative expense was rent expense of $59.0 million, $41.8 million and $31.1 million for the years ended December 31, 2014, 2013 and 2012, respectively, under non-cancelable operating lease agreements. Included in these amounts was contingent rent expense of $11.0 million, $7.8 million and $6.2 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Sponsorships and Other Marketing Commitments

Within the normal course of business, the Company enters into contractual commitments in order to promote the Company's brand and products. These commitments include sponsorship agreements with teams and athletes on the collegiate and professional levels, official supplier agreements, athletic event sponsorships and other marketing commitments. The following is a schedule of the Company's future minimum payments under its sponsorship and other marketing agreements as of December 31, 2014, as well as significant sponsorship and other marketing agreements entered into during the period after December 31, 2014 through the date of this report:

(In thousands)		
2015	$	90,056
2016		71,654
2017		56,734
2018		44,982
2019		33,155
2020 and thereafter		96,345
Total future minimum sponsorship and other marketing payments	$	392,926

The amounts listed above are the minimum obligations required to be paid under the Company's sponsorship and other marketing agreements. The amounts listed above do not include additional performance incentives and product supply obligations provided under certain agreements. It is not possible to determine how much the Company will spend on product supply obligations on an annual basis as contracts generally do not stipulate specific cash amounts to be spent on products. The amount of product provided to the sponsorships depends on many factors including general playing conditions, the number of sporting events in which they participate and the Company's decisions regarding product and marketing initiatives. In addition, the costs to design, develop, source and purchase the products furnished to the endorsers are incurred over a period of time and are not necessarily tracked separately from similar costs incurred for products sold to customers.

Other

From time to time, the Company is involved in litigation and other proceedings, including matters related to commercial and intellectual property disputes, as well as trade, regulatory and other claims related to its business. The Company believes that all current proceedings are routine in nature and incidental to the conduct of its business, and that the ultimate resolution of any such proceedings will not have a material adverse effect on its consolidated financial position, results of operations or cash flows.

In connection with various contracts and agreements, the Company has agreed to indemnify counterparties against certain third party claims relating to the infringement of intellectual property rights and other items. Generally, such indemnification obligations do not apply in situations in which the counterparties are grossly negligent, engage in willful misconduct, or act in bad faith. Based on the Company's historical experience and the estimated probability of future loss, the Company has determined that the fair value of such indemnifications is not material to its consolidated financial position or results of operations.

8. Stockholders' Equity

The Company's Class A Common Stock and Class B Convertible Common Stock have an authorized number of shares at December 31, 2014 of 400.0 million shares and 36.6 million shares, respectively, and each have a par value of $0.0003 1/3 per share. Holders of Class A Common Stock and Class B Convertible Common Stock have identical rights, including liquidation preferences, except that the holders of Class A Common Stock are entitled to one vote per share and holders of Class B Convertible Common Stock are entitled to 10 votes per share on all matters submitted to a stockholder vote. Class B Convertible Common Stock may only be held by Kevin Plank, the Company's founder and Chief Executive Officer, or a related party of Mr. Plank, as defined in the Company's charter. As a result, Mr. Plank has a majority voting control over the Company. Upon the transfer of shares of Class B Convertible Stock to a person other than Mr. Plank or a related party of Mr. Plank, the shares automatically convert into shares of Class A Common Stock on a one-for-one basis. In addition, all of the outstanding shares of Class B Convertible Common Stock will automatically convert into shares of Class A Common Stock on a one-for-one basis upon the death or disability of Mr. Plank or on the record date for any stockholders' meeting upon which the shares of Class A Common Stock and Class B Convertible Common Stock beneficially owned by Mr. Plank is less than 15% of the total shares of Class A Common Stock and Class B Convertible Common Stock outstanding. Holders of the Company's common stock are entitled to receive dividends when and if authorized and declared out of assets legally available for the payment of dividends.

During the year ended December 31, 2014, 3.4 million shares of Class B Convertible Common Stock were converted into shares of Class A Common Stock on a one-for-one basis in connection with stock sales.

9. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The fair value accounting guidance outlines a valuation framework, creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures, and prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

Financial assets and (liabilities) measured at fair value are set forth in the table below:

	December 31, 2014			December 31, 2013		
(In thousands)	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Derivative foreign currency forward contracts (see Note 14)	$ —	$ 806	$ —	$ —	$ 12	$ —
Interest rate swap contracts (see Note 14)	—	(607)	—	—	1,087	—
TOLI policies held by the Rabbi Trust (see Note 13)	—	4,734	—	—	4,625	—
Deferred Compensation Plan obligations (see Note 13)	—	(4,525)	—	—	(3,338)	—

Fair values of the financial assets and liabilities listed above are determined using inputs that use as their basis readily observable market data that are actively quoted and are validated through external sources, including third-party pricing services and brokers. The foreign currency forward contracts represent gains and losses on derivative contracts, which is the net difference between the U.S. dollar value to be received or paid at the contracts' settlement date and the U.S. dollar value of the foreign currency to be sold or purchased at the current forward exchange rate. The interest rate swap contract represents gains and losses on the derivative contract, which is the net difference between the fixed interest to be paid and variable interest to be received over the term of the contract based on current market rates. The fair value of the trust owned life insurance ("TOLI") policies held by the Rabbi Trust is based on the cash-surrender value of the life insurance policies, which are invested primarily

in mutual funds and a separately managed fixed income fund. These investments are initially made in the same funds and purchased in substantially the same amounts as the selected investments of participants in the Under Armour, Inc. Deferred Compensation Plan (the "Deferred Compensation Plan"), which represent the underlying liabilities to participants in the Deferred Compensation Plan. Liabilities under the Deferred Compensation Plan are recorded at amounts due to participants, based on the fair value of participants' selected investments.

The carrying value of the Company's long term debt approximated its fair value as of December 31, 2014 and 2013. The fair value of the Company's long term debt was estimated based upon quoted prices for similar instruments (Level 2 input).

10. Provision for Income Taxes

Income before income taxes is as follows:

	Year Ended December 31,		
(In thousands)	**2014**	**2013**	**2012**
Income before income taxes:			
United States	$ 269,503	$ 196,558	$ 155,514
Foreign	72,707	64,435	47,925
Total	$ 342,210	$ 260,993	$ 203,439

The components of the provision for income taxes consisted of the following:

	Year Ended December 31,		
(In thousands)	**2014**	**2013**	**2012**
Current			
Federal	$ 110,439	$ 85,542	$ 66,533
State	24,419	19,130	12,962
Other foreign countries	16,489	13,295	8,139
	151,347	117,967	87,634
Deferred			
Federal	(15,368)	(14,722)	(9,606)
State	(4,073)	(5,541)	(3,563)
Other foreign countries	2,262	959	196
	(17,179)	(19,304)	(12,973)
Provision for income taxes	$ 134,168	$ 98,663	$ 74,661

A reconciliation from the U.S. statutory federal income tax rate to the effective income tax rate is as follows:

	Year Ended December 31,		
	2014	**2013**	**2012**
U.S. federal statutory income tax rate	35.0 %	35.0 %	35.0 %
State taxes, net of federal tax impact	3.8	2.4	2.1
Unrecognized tax benefits	1.9	2.5	2.7
Nondeductible expenses	1.0	1.1	0.6
Foreign rate differential	(4.5)	(4.8)	(4.9)
Foreign valuation allowance	2.5	1.5	0.8
Other	(0.5)	0.1	0.4
Effective income tax rate	39.2 %	37.8 %	36.7 %

The increase in the 2014 full year effective income tax rate, as compared to 2013, is primarily due to increased foreign investments driving a lower proportion of foreign taxable income in 2014 and state tax credits received in 2013.

Deferred tax assets and liabilities consisted of the following:

(In thousands)	December 31, 2014	December 31, 2013
Deferred tax asset		
Stock-based compensation	$ 35,161	$ 25,472
Allowance for doubtful accounts and other reserves	24,774	16,262
Foreign net operating loss carryforward	16,302	13,829
Accrued expenses	11,398	3,403
Deferred rent	11,005	8,980
Inventory obsolescence reserves	8,198	6,269
Tax basis inventory adjustment	5,845	5,633
Foreign tax credits	5,131	3,807
U. S. net operating loss carryforward	4,733	10,119
State tax credits, net of federal tax impact	4,245	5,342
Deferred compensation	1,858	1,372
Other	4,592	5,889
Total deferred tax assets	133,242	106,377
Less: valuation allowance	(15,550)	(8,091)
Total net deferred tax assets	117,692	98,286
Deferred tax liability		
Property, plant and equipment	(17,638)	(13,375)
Intangible assets	(7,010)	(8,627)
Prepaid expenses	(6,424)	(6,380)
Other	(612)	(447)
Total deferred tax liabilities	(31,684)	(28,829)
Total deferred tax assets, net	$ 86,008	$ 69,457

In connection with the Company's acquisition of MapMyFitness (see Note 3), the Company acquired $10.5 million in deferred tax assets associated with approximately $42.5 million in federal and state net operating loss (“NOLs”) carryforwards. The acquisition resulted in a “change of ownership” within the meaning of Section 382 of the Internal Revenue Code, and, as a result, such NOLs are subject to an annual limitation.

As of December 31, 2014, the Company had $4.7 million in deferred tax assets associated with approximately $23.1 million in federal and state net operating losses from the acquisition of MapMyFitness remaining, which will expire beginning 2029 through 2033. Based upon the historical taxable income and projections of future taxable income over periods in which these NOLs will be deductible, the Company believes that it is more likely than not that the Company will be able to fully utilize these NOLs before the carry-forward periods expire beginning 2029 through 2033, and therefore a valuation allowance is not required.

As of December 31, 2014, the Company had $16.3 million in deferred tax assets associated with approximately $62.0 million in foreign net operating loss carryforwards, which will expire beginning 2016 through 2020. As of December 31, 2014, the Company believes certain deferred tax assets associated with foreign net operating loss carryforwards will expire unused based on the Company's projections. Therefore, a valuation allowance of $6.1 million was recorded against the Company's net deferred tax assets in 2014.

As of December 31, 2014, the Company had $5.1 million in deferred tax assets associated with foreign tax credits. As of December 31, 2014 the Company believes that a portion of the foreign taxes paid would not be creditable against its future income taxes. Therefore, a valuation allowance of $1.3 million was recorded against the Company's net deferred tax assets in 2014.

As of December 31, 2014, approximately $129.2 million of cash and cash equivalents was held by the Company's non-U.S. subsidiaries whose cumulative undistributed earnings total $176.8 million. Withholding and U.S. taxes have not been provided on the undistributed earnings as the earnings are being permanently reinvested in its non-U.S. subsidiaries. Determining the tax liability that would arise if these earnings were repatriated is not practical.

We utilize the “with and without” method for intraperiod allocation of income tax provisions. Certain tax benefits associated with the Company’s stock-based compensation arrangements are recorded directly to Stockholders’ equity including benefit from excess tax deductions.

As of December 31, 2014 and 2013, the total liability for unrecognized tax benefits, including related interest and penalties, was approximately $31.3 million and $24.1 million, respectively. The following table represents a reconciliation of the Company's total unrecognized tax benefits balances, excluding interest and penalties, for the years ended December 31, 2014, 2013 and 2012:

	Year Ended December 31,		
(In thousands)	**2014**	**2013**	**2012**
Beginning of year	$ 21,712	$ 15,297	$ 9,783
Increases as a result of tax positions taken in a prior period	250	—	—
Decreases as a result of tax positions taken in a prior period	—	—	—
Increases as a result of tax positions taken during the current period	8,947	7,526	5,702
Decreases as a result of tax positions taken during the current period	—	—	—
Decreases as a result of settlements during the current period	—	—	—
Reductions as a result of a lapse of statute of limitations during the current period	(2,556)	(1,111)	(188)
End of year	$ 28,353	$ 21,712	$ 15,297

As of December 31, 2014, $26.3 million of unrecognized tax benefits, excluding interest and penalties, would impact the Company's effective tax rate if recognized.

As of December 31, 2014, 2013 and 2012, the liability for unrecognized tax benefits included $3.0 million, $2.4 million and $1.8 million, respectively, for the accrual of interest and penalties. For each of the years ended December 31, 2014, 2013 and 2012, the Company recorded $1.2 million, $1.0 million and $0.7 million, respectively, for the accrual of interest and penalties in its consolidated statements of income. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes on the consolidated statements of income.

The Company files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. The Company is currently under audit by the Internal Revenue Service for the 2011 tax year and by the Canada Revenue Authority for the 2011 through 2012 tax years. The majority of the Company's returns for years before 2011 are no longer subject to U.S. federal, state and local or foreign income tax examinations by tax authorities

The total amount of unrecognized tax benefits relating to the Company's tax positions is subject to change based on future events including, but not limited to, the settlements of ongoing tax audits and assessments and the expiration of applicable statutes of limitations. Although the outcomes and timing of such events are highly uncertain, the Company does not anticipate that the balance of gross unrecognized tax benefits, excluding interest and penalties, will change significantly during the next twelve months. However, changes in the occurrence, expected outcomes, and timing of such events could cause the Company's current estimates to change materially in the future.

11. Earnings per Share

The calculation of earnings per share for common stock shown below excludes the income attributable to outstanding restricted stock awards from the numerator and excludes the impact of these awards from the denominator. The following is a reconciliation of basic earnings per share to diluted earnings per share:

	Year Ended December 31,		
(In thousands, except per share amounts)	**2014**	**2013**	**2012**
Numerator			
Net income	$ 208,042	$ 162,330	$ 128,778
Denominator			
Weighted average common shares outstanding	213,227	210,696	208,686
Effect of dilutive securities	6,153	5,262	4,074
Weighted average common shares and dilutive securities outstanding	219,380	215,958	212,760
Earnings per share—basic	$ 0.98	$ 0.77	$ 0.62
Earnings per share—diluted	$ 0.95	$ 0.75	$ 0.61

Effects of potentially dilutive securities are presented only in periods in which they are dilutive. Stock options, restricted stock units and warrants representing 22.6 thousand, 116.9 thousand and 208.9 thousand shares of common stock were outstanding for the years ended December 31, 2014, 2013 and 2012, respectively, but were excluded from the computation of diluted earnings per share because their effect would be anti-dilutive.

12. Stock-Based Compensation

Stock Compensation Plans

The Under Armour, Inc. Amended and Restated 2005 Omnibus Long-Term Incentive Plan (the "2005 Plan") provides for the issuance of stock options, restricted stock, restricted stock units and other equity awards to officers, directors, key employees and other persons. Stock options and restricted stock and restricted stock unit awards under the 2005 Plan generally vest ratably over a two to four year period. The contractual term for stock options is generally ten years from the date of grant. The Company generally receives a tax deduction for any ordinary income recognized by a participant in respect to an award under the 2005 Plan. The 2005 Plan terminates in 2015. As of December 31, 2014, 19.3 million shares are available for future grants of awards under the 2005 Plan.

Total stock-based compensation expense for the years ended December 31, 2014, 2013 and 2012 was $50.8 million, $43.2 million and $19.8 million, respectively. As of December 31, 2014, the Company had $28.6 million of unrecognized compensation expense expected to be recognized over a weighted average period of 1.0 year. This unrecognized compensation expense does not include any expense related to performance-based restricted stock units for which the performance targets have not been achieved as of December 31, 2014. Refer to "Restricted Stock and Restricted Stock Units" below for further information on these awards.

Employee Stock Purchase Plan

The Company's Employee Stock Purchase Plan (the "ESPP") allows for the purchase of Class A Common Stock by all eligible employees at a 15% discount from fair market value subject to certain limits as defined in the ESPP. As of December 31, 2014, 2.8 million shares are available for future purchases under the ESPP. During the years ended December 31, 2014, 2013 and 2012, 87.6 thousand, 108.4 thousand and 113.8 thousand shares were purchased under the ESPP, respectively.

Non-Employee Director Compensation Plan and Deferred Stock Unit Plan

The Company's Non-Employee Director Compensation Plan (the "Director Compensation Plan") provides for cash compensation and equity awards to non-employee directors of the Company under the 2005 Plan. Non-employee directors have the option to defer the value of their annual cash retainers as deferred stock units in accordance with the Under Armour, Inc. Non-Employee Deferred Stock Unit Plan (the "DSU Plan"). Each new non-employee director receives an award of restricted stock units upon the initial election to the Board of Directors, with the units covering stock valued at $100.0 thousand on the grant date and vesting in three equal annual installments. In addition, each non-employee director receives, following each annual stockholders' meeting, a grant under the 2005 Plan of restricted stock units covering stock valued at $75.0 thousand on the grant date. Beginning in 2015, this annual grant is increasing from $75.0 thousand to $125.0 thousand. Each award vests 100% on the date of the next annual stockholders' meeting following the grant date.

The receipt of the shares otherwise deliverable upon vesting of the restricted stock units automatically defers into deferred stock units under the DSU Plan. Under the DSU Plan each deferred stock unit represents the Company's obligation to issue one share of the Company's Class A Common Stock with the shares delivered six months following the termination of the director's service.

Stock Options

The weighted average fair value of a stock option granted for the year ended December 31, 2013 was $12.91. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Year Ended December 31,
	2013
Risk-free interest rate	1.2%
Average expected life in years	6.25
Expected volatility	55.4%
Expected dividend yield	—%

There were no stock options granted during the years ended December 31, 2014 and December 31, 2012.

A summary of the Company's stock options as of December 31, 2014, 2013 and 2012, and changes during the years then ended is presented below:

(In thousands, except per share amounts)	Year Ended December 31,					
	2014		2013		2012	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Outstanding, beginning of year	4,272	$ 8.11	6,298	$ 7.66	9,616	$ 7.00
Granted, at fair market value	—	—	20	24.35	—	—
Exercised	(1,454)	7.74	(1,822)	6.68	(2,436)	5.09
Expired	—	—	—	—	—	—
Forfeited	(7)	16.46	(224)	8.41	(882)	7.60
Outstanding, end of year	2,811	$ 8.28	4,272	$ 8.11	6,298	$ 7.66
Options exercisable, end of year	2,707	$ 7.87	2,346	$ 7.80	1,936	$ 6.55

The intrinsic value of stock options exercised during the years ended December 31, 2014, 2013 and 2012 was $73.0 million, $44.1 million and $44.5 million, respectively.

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2014:

(In thousands, except per share amounts)

Options Outstanding				Options Exercisable			
Number of Underlying Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Total Intrinsic Value	Number of Underlying Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life (Years)	Total Intrinsic Value
2,811	$ 8.28	5.01	$ 167,623	2,707	$ 7.87	4.94	$ 162,518

Restricted Stock and Restricted Stock Units

A summary of the Company's restricted stock and restricted stock units as of December 31, 2014, 2013 and 2012, and changes during the years then ended is presented below:

(In thousands, except per share amounts)	Year Ended December 31,					
	2014		2013		2012	
	Number of Restricted Shares	Weighted Average Fair Value	Number of Restricted Shares	Weighted Average Fair Value	Number of Restricted Shares	Weighted Average Fair Value
Outstanding, beginning of year	5,244	$ 22.19	4,514	$ 19.51	3,292	$ 14.56
Granted	1,061	54.17	1,682	26.35	2,658	22.92
Forfeited	(958)	20.98	(410)	17.37	(758)	16.73
Vested	(837)	19.49	(542)	16.76	(678)	11.66
Outstanding, end of year	4,510	$ 30.42	5,244	$ 22.19	4,514	$ 19.51

Included in the table above are 1.0 million, 1.4 million and 2.0 million performance-based restricted stock units awarded to certain executives and key employees under the 2005 Plan during the years ended December 31, 2014, 2013 and 2012, respectively. These performance-based restricted stock units have a weighted average fair value of $30.30 and have vesting that is tied to the achievement of certain combined annual operating income targets.

During the year ended December 31, 2014, the Company deemed the achievement of certain operating income targets probable for the awards granted in 2014, 2013 and 2012, and recorded $38.4 million for a portion of these awards, including cumulative adjustments of $6.6 million during the three months ended March 31, 2014 and $3.8 million during the three months ended September 30, 2014. During the year ended December 31, 2013, the Company deemed the achievement of certain operating targets probable for the awards granted in 2013, 2012 and 2011, and recorded $30.8 million for a portion of these awards, including cumulative adjustments of $9.0 million during the three months ended March 31, 2013 and $11.3 million during the three months ended December 31, 2013. During the year ended December 31, 2012, the Company deemed the achievement of certain operating income targets probable for the awards granted in 2011, and recorded $4.1 million for a

portion of these awards, including a cumulative adjustment of $2.4 million during the three months ended March 31, 2012. The Company will assess the probability of the achievement of the operating income targets at the end of each reporting period. If it becomes probable that the remaining performance targets related to these performance-based restricted stock units will be achieved, a cumulative adjustment will be recorded as if ratable stock-based compensation expense had been recorded since the grant date. Additional stock based compensation of up to $2.7 million would have been recorded through December 31, 2014 for all performance-based restricted stock units had the full achievement of these operating income targets been deemed probable.

Warrants

In 2006, the Company issued fully vested and non-forfeitable warrants to purchase 1.9 million shares of the Company's Class A Common Stock to NFL Properties as partial consideration for footwear promotional rights which were recorded as an intangible asset. With the assistance of an independent third party valuation firm, the Company assessed the fair value of the warrants using various fair value models. Using these measures, the Company concluded that the fair value of the warrants was $8.5 million. The warrants have a term of 12 years from the date of issuance and an exercise price of $9.25 per share, which is the adjusted closing price of the Company's Class A Common Stock on the date of issuance. As of December 31, 2014, all outstanding warrants were exercisable, and no warrants were exercised.

13. Other Employee Benefits

The Company offers a 401(k) Deferred Compensation Plan for the benefit of eligible employees. Employee contributions are voluntary and subject to Internal Revenue Service limitations. The Company matches a portion of the participant's contribution and recorded expense of $4.9 million, $2.7 million and $2.3 million for the years ended December 31, 2014, 2013 and 2012, respectively. Shares of the Company's Class A Common Stock are not an investment option in this plan.

In addition, the Company offers the Under Armour, Inc. Deferred Compensation Plan which allows a select group of management or highly compensated employees, as approved by the Compensation Committee, to make an annual base salary and/or bonus deferral for each year. As of December 31, 2014 and 2013, the Deferred Compensation Plan obligations were $4.5 million and $3.3 million, respectively, and were included in other long term liabilities on the consolidated balance sheets.

The Company established the Rabbi Trust to fund obligations to participants in the Deferred Compensation Plan. As of December 31, 2014 and 2013, the assets held in the Rabbi Trust were TOLI policies with cash-surrender values of $4.7 million and $4.6 million, respectively. These assets are consolidated and are included in other long term assets on the consolidated balance sheet. Refer to Note 9 for a discussion of the fair value measurements of the assets held in the Rabbi Trust and the Deferred Compensation Plan obligations.

14. Risk Management and Derivatives

Foreign Currency Risk Management

The Company is exposed to gains and losses resulting from fluctuations in foreign currency exchange rates relating to transactions generated by its international subsidiaries in currencies other than their local currencies. These gains and losses are primarily driven by intercompany transactions and inventory purchases denominated in currencies other than the functional currency of the purchasing entity. From time to time, the Company may elect to enter into foreign currency forward contracts to reduce the risk associated with foreign currency exchange rate fluctuations on intercompany transactions and projected inventory purchases for its international subsidiaries. As the Company expands its international business, it may expand the current hedging program to include additional currency pairs and instruments.

As of December 31, 2014, the aggregate notional value of our outstanding foreign currency forward contracts was $123.3 million, which was comprised of Canadian Dollar/U.S. Dollar, Euro/U.S. Dollar, Yen/Euro, Mexican Peso/Euro and Pound Sterling/Euro currency pairs with contract maturities ranging from one to eleven months. The majority of the Company's foreign currency forward contracts are not designated as cash flow hedges, and accordingly, changes in their fair value are recorded in earnings. During 2014, the Company began entering into foreign currency forward contracts designated as cash flow hedges. For foreign currency forward contracts designated as cash flow hedges, changes in fair value, excluding any ineffective portion, are recorded in other comprehensive income until net income is affected by the variability in cash flows of the hedged transaction. The effective portion is generally released to net income after the maturity of the related derivative and is classified in the same manner as the underlying exposure. During the year ended December 31, 2014, the Company reclassified $0.4 million from other comprehensive income to cost of goods sold related to foreign currency forward contracts designated as cash flow hedges. The fair values of the Company's foreign currency forward contracts were assets of $806.0 thousand and $12.1 thousand as of December 31, 2014 and 2013, respectively, and were included in prepaid expenses and other current assets on the consolidated balance sheet. Refer to Note 9 for a discussion of the fair value measurements. Included in

other expense, net were the following amounts related to changes in foreign currency exchange rates and derivative foreign currency forward contracts:

	Year Ended December 31,		
(In thousands)	**2014**	**2013**	**2012**
Unrealized foreign currency exchange rate gains (losses)	$ (11,739)	$ (1,905)	$ 2,464
Realized foreign currency exchange rate gains (losses)	2,247	477	(182)
Unrealized derivative gains (losses)	1	13	675
Realized derivative gains (losses)	3,081	243	(3,030)

Interest Rate Risk Management

In order to maintain liquidity and fund business operations, the Company enters into long term debt arrangements with various lenders which bear a range of fixed and variable rates of interest. The nature and amount of the Company's long-term debt can be expected to vary as a result of future business requirements, market conditions and other factors. The Company may elect to enter into interest rate swap contracts to reduce the impact associated with interest rate fluctuations. The Company utilizes interest rate swap contracts to convert a portion of variable rate debt to fixed rate debt. The contracts pay fixed and receive variable rates of interest. The interest rate swap contracts are accounted for as cash flow hedges and accordingly, the effective portion of the changes in their fair value are recorded in other comprehensive income and reclassified into interest expense over the life of the underlying debt obligation.

As of December 31, 2014, the aggregate notional value of our outstanding interest rate swap contracts was $188.1 million. During the years ended December 31, 2014 and 2013, the Company recorded a $1.7 million and $0.3 million increase in interest expense, respectively, representing the effective portion of the contracts reclassified from accumulated other comprehensive income. The fair value of the interest rate swap contracts was a liability of $0.6 million as of December 31, 2014, and was included in other long term liabilities on the consolidated balance sheet. The fair value of the interest rate swap contract was an asset of $1.1 million as of December 31, 2013 and was included in other long term assets on the consolidated balance sheet.

The Company enters into derivative contracts with major financial institutions with investment grade credit ratings and is exposed to credit losses in the event of non-performance by these financial institutions. This credit risk is generally limited to the unrealized gains in the foreign currency forward contracts. However, the Company monitors the credit quality of these financial institutions and considers the risk of counterparty default to be minimal.

15. Related Party Transactions

The Company has agreements to license software systems with a software company whose CEO is a director of the Company. During the years ended December 31, 2014, 2013 and 2012, the Company paid $5.2 million, $3.7 million and $1.9 million, respectively, in licensing fees and related support services to this company. There were no amounts payable to this related party as of December 31, 2014 and 2013.

The Company has an operating lease agreement with an entity controlled by the Company’s CEO to lease an aircraft for business purposes. The Company paid $1.8 million, $1.0 million and $0.8 million in lease payments to the entity for its use of the aircraft during the years ended December 31, 2014, 2013 and 2012, respectively. No amounts were payable to this related party as of December 31, 2014 and 2013. The Company determined the lease payments were at or below fair market lease rates.

During 2014, the Company entered into a lease agreement with an entity controlled by the Company’s CEO to lease office space for business purposes. The lease has a 10 year term beginning in 2016 and lease payments are expected to begin at $1.1 million annually with an annual escalation of 2.0% thereafter. The Company determined the lease payments were at or below fair market lease rates.

16. Segment Data and Related Information

The Company’s operating segments are based on how the Chief Operating Decision Maker (“CODM”) makes decisions about allocating resources and assessing performance. As such, the CODM receives discrete financial information for the Company's principal business by geographic region based on the Company’s strategy to become a global brand. These geographic regions include North America; Latin America; Europe, the Middle East and Africa (“EMEA”); and Asia-Pacific. Each geographic segment operates exclusively in one industry: the development, marketing and distribution of branded performance apparel, footwear and accessories. The CODM also receives discrete financial information for the Company's

MapMyFitness business. Due to the insignificance of the EMEA, Latin America, Asia-Pacific and MapMyFitness operating segments, they have been combined into other foreign countries and businesses for disclosure purposes.

The net revenues and operating income (loss) associated with the Company's segments are summarized in the following tables. Net revenues represent sales to external customers for each segment. In addition to net revenues, operating income (loss) is a primary financial measure used by the Company to evaluate performance of each segment. Intercompany balances were eliminated for separate disclosure and the majority of corporate expenses within North America have not been allocated to other foreign countries and businesses.

	Year Ended December 31,		
(In thousands)	**2014**	**2013**	**2012**
Net revenues			
North America	$ 2,796,390	$ 2,193,739	$ 1,726,733
Other foreign countries and businesses	287,980	138,312	108,188
Total net revenues	$ 3,084,370	$ 2,332,051	$ 1,834,921

	Year Ended December 31,		
(In thousands)	**2014**	**2013**	**2012**
Operating income (loss)			
North America	$ 372,347	$ 271,338	$ 200,084
Other foreign countries and businesses	(18,392)	(6,240)	8,611
Total operating income	353,955	265,098	208,695
Interest expense, net	(5,335)	(2,933)	(5,183)
Other expense, net	(6,410)	(1,172)	(73)
Income before income taxes	$ 342,210	$ 260,993	$ 203,439

Net revenues by product category are as follows:

	Year Ended December 31,		
(In thousands)	**2014**	**2013**	**2012**
Apparel	$ 2,291,520	$ 1,762,150	$ 1,385,350
Footwear	430,987	298,825	238,955
Accessories	275,425	216,098	165,835
Total net sales	2,997,932	2,277,073	1,790,140
Licensing and other revenues	86,438	54,978	44,781
Total net revenues	$ 3,084,370	$ 2,332,051	$ 1,834,921

As of December 31, 2014 and 2013, the majority of the Company’s long-lived assets were located in the United States. Net revenues in the United States were $2,670.4 million, $2,082.5 million and $1,650.4 million for the years ended December 31, 2014, 2013 and 2012, respectively.

17. Unaudited Quarterly Financial Data

(In thousands)	Quarter Ended (unaudited) March 31,	June 30,	September 30,	December 31,	Year Ended December 31,
2014					
Net revenues	$ 641,607	$ 609,654	$ 937,908	$ 895,201	$ 3,084,370
Gross profit	300,690	299,952	465,300	446,264	1,512,206
Income from operations	26,856	34,694	146,106	146,299	353,955
Net income	13,538	17,690	89,105	87,709	208,042
Earnings per share-basic	$ 0.06	$ 0.08	$ 0.42	$ 0.41	$ 0.98
Earnings per share-diluted	$ 0.06	$ 0.08	$ 0.41	$ 0.40	$ 0.95
2013					
Net revenues	$ 471,608	$ 454,541	$ 723,146	$ 682,756	$ 2,332,051
Gross profit	216,551	219,631	350,135	350,353	1,136,670
Income from operations	13,492	32,310	120,829	98,467	265,098
Net income	7,814	17,566	72,784	64,166	162,330
Earnings per share-basic	$ 0.04	$ 0.08	$ 0.34	$ 0.30	$ 0.77
Earnings per share-diluted	$ 0.04	$ 0.08	$ 0.34	$ 0.30	$ 0.75

18. Subsequent Events

Acquisitions

On January 5, 2015, the Company acquired 100% of the outstanding equity of Endomondo ApS, a Denmark-based connected fitness company for $85 million, subject to adjustment for working capital. In connection with this acquisition, the Company incurred acquisition related expenses of approximately $0.8 million during the year ended December 31, 2014. These expenses were included in selling, general and administrative expenses on the consolidated statements of income. The operating results for this acquisition will be included in the Company’s consolidated statements of income from the date of acquisition. The Company is currently in the process of assessing the fair value of the assets acquired and liabilities assumed, which is expected to be final during the first quarter of 2015.

On February 3, 2015, the Company entered into an agreement to acquire MyFitnessPal, Inc. ("MyFitnessPal"). The purchase price for the acquisition will be $475 million in cash, which will be adjusted to reflect that the acquisition of MyFitnessPal by the Company at the closing on a debt free basis with MyFitnessPal's transaction expenses borne by the sellers. In addition, the aggregate purchase price payable at the closing is subject to an upward adjustment to reflect the amount of net cash held by MyFitnessPal at closing. The acquisition is currently expected to close during the first quarter of 2015, subject to the satisfaction of customary closing conditions, including among others, regulatory approvals, the continuing accuracy of representations and warranties and the execution of noncompetition agreements by certain key employee stockholders. The acquisition is expected to be funded through a combination of increased term loan borrowings, a draw on the increased revolving credit facility and cash on hand.

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

None

ITEM 9A. CONTROLS AND PROCEDURES

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of December 31, 2014 pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2014, our disclosure controls and procedures are effective in ensuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Refer to Item 8 of this report for the "Report of Management on Internal Control over Financial Reporting."

There has been no change in our internal control over financial reporting during the most recent fiscal quarter that has materially affected, or that is reasonably likely to materially affect our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item regarding directors is incorporated herein by reference from the 2015 Proxy Statement, under the headings "NOMINEES FOR ELECTION AT THE ANNUAL MEETING," "CORPORATE GOVERNANCE AND RELATED MATTERS: Audit Committee" and "SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE." Information required by this Item regarding executive officers is included under "Executive Officers of the Registrant" in Part 1 of this Form 10-K.

Code of Ethics

We have a written code of ethics in place that applies to all our employees, including our principal executive officer, principal financial officer, and principal accounting officer and controller. A copy of our code of ethics policy is available on our website: www.underarmour.com. We are required to disclose any change to, or waiver from, our code of ethics for our senior financial officers. We intend to use our website as a method of disseminating this disclosure as permitted by applicable SEC rules.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference herein from the 2015 Proxy Statement under the headings "CORPORATE GOVERNANCE AND RELATED MATTERS: Compensation of Directors," and "EXECUTIVE COMPENSATION."

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

The information required by this Item is incorporated by reference herein from the 2015 Proxy Statement under the heading "SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS OF SHARES." Also refer to Item 5 "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference herein from the 2015 Proxy Statement under the heading "TRANSACTIONS WITH RELATED PERSONS" and "CORPORATE GOVERNANCE AND RELATED MATTERS—Independence of Directors."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated by reference herein from the 2015 Proxy Statement under the heading "INDEPENDENT AUDITORS."

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a. The following documents are filed as part of this Form 10-K:

1. Financial Statements:

2. Financial Statement Schedule

All other schedules are omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits

The following exhibits are incorporated by reference or filed herewith. References to the Company's 2007 Form 10-K are to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2007. References to the Company's 2010 Form 10-K are to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2010. References to the Company's 2011 Form 10-K are to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011. References to the Company's 2012 Form 10-K are to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012. References to the Company's 2013 Form 10-K are to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2013.

Exhibit No.	
2.01	Agreement and Plan of Merger, dated as of November 8, 2013, among Under Armour, Inc., MMF Merger Sub, Inc., MapMyFitness, Inc. and Fortis Advisors LLC (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed November 14, 2013).
2.02	Agreement and Plan of Merger, dated as of February 3, 2015, among Under Armour, Inc., Marathon Merger Sub, Inc., MyFitnessPal, Inc. and Fortis Advisors LLC.
3.01	Articles of Amendment (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filed March 17, 2014).
3.02	Second Amended and Restated By-Laws (incorporated by reference to Exhibit 3.02 of the Company's Form 8-K filed February 21, 2013).
4.01	Warrant Agreement between the Company and NFL Properties LLC dated as of August 3, 2006 (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K filed August 7, 2006).
10.01	Credit Agreement, dated May 29, 2014, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, as Syndication Agent, Bank of America, N.A. SunTrust Bank and Wells Fargo Bank, National Association as Co-Documentation Agents and the other lenders and arrangers party thereto (incorporated by reference to Exhibit 10.01 of the Current Report on Form 8-K filed June 2, 2014).
10.02	Under Armour, Inc. Executive Incentive Plan (incorporated by reference to Exhibit 10.01 of the Company's Current Report on Form 8-K filed on May 6, 2013).*
10.03	Under Armour, Inc. Deferred Compensation Plan (incorporated by reference to Exhibit 10.15 of the Company's 2007 Form 10-K) and Amendment One to this plan (incorporated by reference to Exhibit 10.14 of the Company's 2010 Form 10-K).*
10.04	Form of Change in Control Severance Agreement (incorporated by reference to Exhibit 10.05 of the Company's 2013 Form 10-K).*
10.05	Under Armour, Inc. Amended and Restated 2005 Omnibus Long-Term Incentive Plan (incorporated by reference to Exhibit 10.01 of the Company's Form 10-Q for the quarterly period ending March 31, 2014).*
10.06	Restricted Stock Grant Agreement under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan between Henry Stafford and the Company (incorporated by reference to Exhibit 10.07a of the Company's 2011 Form 10-K).*
10.07	Forms of Non-Qualified Stock Option Grant Agreement under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan (incorporated by reference to Exhibit 10.23 of the Company's 2007 Form 10-K and Exhibit 10.08 of the Company's 2011 Form 10-K).*
10.08	Form of Restricted Stock Unit Grant Agreement under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan (filed herewith and incorporated by reference to Exhibit 10.09 of the Company's 2011 Form 10-K).*
10.09	Forms of Performance-Based Stock Option Grant Agreement under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan (filed herewith and incorporated by reference to Exhibits 10.02 of the Company's Form 10-Q for the quarterly period ended March 31, 2009 and Exhibit 10.03 of the Company's Form 10-Q for the quarterly period ended March 31, 2010).*
10.10	Amendment to Stock Option Awards Effective August 3, 2011 (incorporated by reference to Exhibit 10.11 of the Company's 2011 Form 10-K).*

Exhibit No.	
10.11	Forms of Performance-Based Restricted Stock Unit Grant Agreement for U.S. Employees under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan (filed herewith and incorporated by reference to Exhibit 10.12 of the Company's 2013 Form 10-K, Exhibit 10.12 of the Company's 2012 Form 10-K and Exhibit 10.12 of the Company's 2011 Form 10-K) and Supplement to Restricted Stock Unit Grant Agreement (incorporated by reference to Exhibit 10.01 of the Company's Form 10-Q for the quarterly period ended September 30, 2014).*
10.12	Form of Performance-Based Restricted Stock Unit Grant Agreement for International Employees under the Amended and Restated 2005 Omnibus Long-Term Incentive Plan (filed herewith and incorporated by reference to Exhibit 10.13 of the Company's 2013 Form 10-K).*
10.13	Form of Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between certain executives and the Company (incorporated by reference to Exhibit 10.14 of the Company's 2013 Form 10-K).*
10.14	Employment Agreement by and between Karl-Heinz Maurath and the Company (portions of this exhibit have been omitted pursuant to a request for confidential treatment) (incorporated by reference to Exhibit 10.15 of the Company's 2012 Form 10-K).*
10.15	Under Armour, Inc. 2015 Non-Employee Director Compensation Plan (filed herewith), Form of Initial Restricted Stock Unit Grant (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed June 6, 2006), Form of Annual Stock Option Award (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K filed June 6, 2006) and Form of Annual Restricted Stock Unit Grant (incorporated by reference to Exhibit 10.6 of the Company's Form 10-Q for the quarterly period ended June 30, 2011).*
10.16	Under Armour, Inc. 2006 Non-Employee Director Deferred Stock Unit Plan (incorporated by reference to Exhibit 10.02 of the Company's Form 10-Q for the quarterly period ended March 31, 2010) and Amendment One to this plan (incorporated by reference to Exhibit 10.23 of the Company's 2010 Form 10-K).*
10.17	Change in Control Severance Agreement between Karl-Heinz Maurath and the Company (incorporated by reference to Exhibit 10.18 of the Company's 2013 Form 10-K).*
21.01	List of Subsidiaries.
23.01	Consent of PricewaterhouseCoopers LLP.
31.01	Section 302 Chief Executive Officer Certification.
31.02	Section 302 Chief Financial Officer Certification.
32.01	Section 906 Chief Executive Officer Certification.
32.02	Section 906 Chief Financial Officer Certification.

Exhibit No.	
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Management contract or a compensatory plan or arrangement required to be filed as an Exhibit pursuant to Item 15(b) of Form 10-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNDER ARMOUR, INC.

By: /s/ KEVIN A. PLANK
Kevin A. Plank
Chairman of the Board of Directors and Chief Executive Officer

Dated: February 20, 2015

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

/s/ KEVIN A. PLANK Kevin A. Plank	Chairman of the Board of Directors and Chief Executive Officer (principal executive officer)
/s/ BRAD DICKERSON Brad Dickerson	Chief Financial Officer (principal accounting and financial officer)
/s/ BYRON K. ADAMS, JR. Byron K. Adams, Jr.	Director
/s/ GEORGE W. BODENHEIMER George W. Bodenheimer	Director
/s/ DOUGLAS E. COLTHARP Douglas E. Coltharp	Director
/s/ ANTHONY W. DEERING Anthony W. Deering	Director
/s/ KAREN W. KATZ Karen Katz	Director
/s/ A.B. KRONGARD A.B. Krongard	Director
/s/ WILLIAM R. MCDERMOTT William R. McDermott	Director
/s/ ERIC T. OLSON Eric T. Olson	Director
/s/ HARVEY L. SANDERS Harvey L. Sanders	Director
/s/ THOMAS J. SIPPEL Thomas J. Sippel	Director

Dated: February 20, 2015

Schedule II

Valuation and Qualifying Accounts

(In thousands)

Description	Balance at Beginning of Year	Charged to Costs and Expenses	Write-Offs Net of Recoveries	Balance at End of Year
Allowance for doubtful accounts				
For the year ended December 31, 2014	$ 2,938	$ 1,028	$ (273)	$ 3,693
For the year ended December 31, 2013	3,286	210	(558)	2,938
For the year ended December 31, 2012	4,070	(108)	(676)	3,286
Sales returns and allowances				
For the year ended December 31, 2014	$ 34,102	$ 156,791	$ (137,920)	$ 52,973
For the year ended December 31, 2013	32,919	135,739	(134,556)	34,102
For the year ended December 31, 2012	20,600	107,536	(95,217)	32,919
Deferred tax asset valuation allowance				
For the year ended December 31, 2014	$ 8,091	$ 7,581	$ (122)	$ 15,550
For the year ended December 31, 2013	3,996	4,095	—	8,091
For the year ended December 31, 2012	1,784	2,855	(643)	3,996

Exhibit 2.02

AGREEMENT AND PLAN OF MERGER

among

UNDER ARMOUR, INC.,
a Maryland corporation;

MARATHON MERGER SUB, INC.,
a Delaware corporation;

MYFITNESSPAL, INC.,
a Delaware corporation;

and

FORTIS ADVISORS LLC,
as the Securityholders' Agent.

Dated as of February 3, 2015

Table of Contents

Exhibits and Schedules

Exhibit A	Certain Definitions
Exhibit B	Escrow Agreement
Exhibit C	Form of Release Agreement

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger ("Agreement") is made and entered into as of February 3, 2015 (the "Agreement Date"), by and among Under Armour, Inc., a Maryland corporation ("Parent"); Marathon Merger Sub, Inc., a Delaware corporation and a wholly-owned Subsidiary of Parent ("Merger Sub"); MyFitnessPal, Inc., a Delaware corporation (the "Company"); and Fortis Advisors LLC, a Delaware limited liability company, as the Securityholders' Agent (as defined in Section 10.1). Certain capitalized terms used in this Agreement are defined in Exhibit A.

RECITALS

A. Parent, Merger Sub and the Company intend to effect a merger of Merger Sub with and into the Company (the "Merger") in accordance with this Agreement and the Delaware General Corporation Law (the "DGCL"). Upon consummation of the Merger, Merger Sub will cease to exist, and the Company will become a wholly-owned Subsidiary of Parent.

B. The respective boards of directors of Merger Sub, Parent and the Company have approved this Agreement.

C. As an inducement for Parent and Merger Sub to enter into this Agreement, concurrently with the execution and delivery of this Agreement, each of the Major Stockholders is entering into an Indemnification Agreement in favor of Parent (an "Indemnification Agreement").

D. As an inducement for Parent and Merger Sub to enter into this Agreement, concurrently with the execution and delivery of this Agreement, certain individuals who hold shares or options to purchase shares of the Company are entering into Noncompetition and Non-Solicitation Agreements in favor of Parent (collectively the "Noncompetition Agreements"), which shall become effective at the Effective Time (as defined in Section 1.3).

E. As an inducement for Parent and Merger Sub to enter into this Agreement, promptly following the execution and delivery of this Agreement, the Company will deliver to Parent and Merger Sub written consents of the Major Stockholders, in a form agreed to by Parent and the Company (the "Stockholder Written Consent"), which shall together be sufficient to approve and adopt this Agreement and approve each of the transactions contemplated hereby, including the Merger, in accordance with the Charter Documents, the DGCL and the CGCL.

AGREEMENT

The parties to this Agreement agree as follows:

1. DESCRIPTION OF TRANSACTION

1.1 Merger of Merger Sub into the Company. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the relevant provisions of the DGCL, at the Effective Time, Merger Sub shall be merged with and into the Company, and the separate existence of Merger Sub shall cease. The Company will continue as the surviving

corporation in the Merger (the "Surviving Corporation") and a wholly-owned Subsidiary of Parent.

1.2 Effect of the Merger. The Merger shall have the effects set forth in this Agreement and in the applicable provisions of the DGCL.

1.3 Closing; Effective Time. The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of King & Spalding LLP, 1180 Peachtree Street, Atlanta, Georgia 30309 at 10:00 a.m. (Atlanta Time) on a date to be designated by Parent, which shall be no later than the later to occur of (i) the fifth Business Day after the satisfaction or waiver of the last to be satisfied or waived of the conditions set forth in Sections 6 and 7 (other than those conditions set forth in Sections 6.6(e), 6.6(f) and 7.4, which are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions) or (ii) March 15, 2015 (provided, however, upon completion of the Credit Facility Amendment, this clause (ii) shall be of no further force and effect), or at such other time and/or date as Parent and the Company may jointly designate. The date on which the Closing actually takes place is referred to in this Agreement as the "Closing Date." Contemporaneously with or as promptly as practicable after the Closing, the parties hereto shall cause a certificate of merger (the "Certificate of Merger") conforming to the requirements of the DGCL to be filed with the Secretary of State of the State of Delaware. The Merger shall become effective as of the time that the Certificate of Merger is filed with the Secretary of State of the State of Delaware or at such later date or time as may be agreed by the Company and Merger Sub in writing and specified in the Certificate of Merger in accordance with the DGCL (the effective time of the Merger being hereinafter referred to as the "Effective Time"). For the avoidance of doubt, all references in this Agreement to "immediately prior to the Closing" shall be deemed to refer to a point in time immediately before the Closing and *after* the conversion of the Preferred Stock into Common Stock.

1.4 Certificate of Incorporation and Bylaws; Directors and Officers. Unless otherwise determined by Parent prior to the Effective Time:

(a) the certificate of incorporation of the Surviving Corporation shall be amended and restated as of the Effective Time in a form acceptable to Parent;

(b) the bylaws of the Surviving Corporation shall be amended and restated as of the Effective Time to conform to the bylaws of Merger Sub as in effect immediately prior to the Effective Time; and

(c) the directors and officers of the Surviving Corporation immediately after the Effective Time shall be those individuals designated by Parent in its sole discretion.

1.5 Conversion of Shares.

(a) Conversion. Subject to Sections 1.5(g), 1.7 and 1.8, at the Effective Time, by virtue of the Merger and without any further action on the part of Parent, Merger Sub, the Company, any stockholder of the Company or any other Person:

(i) each share of Capital Stock held in the Company's treasury or owned by Parent, Merger Sub, the Company or any direct or indirect wholly-owned subsidiary of Parent, Merger Sub or the Company immediately prior to the Effective Time, if any, shall be extinguished and canceled without payment of any consideration with respect thereto;

(ii) each share of Common Stock issued and outstanding immediately prior to the Effective Time (all such issued and outstanding shares, other than any share of Common Stock to be cancelled pursuant to Section 1.5(a)(i), the "Outstanding Capital Stock") shall be converted automatically into the right to receive (following the surrender of the certificate representing such share of Common Stock or the delivery of an appropriate affidavit, in each case, in accordance with Section 1.8):

(A) an amount in cash per share of Common Stock equal to: (1) Per Share Amount; *minus* (2) the Per Share Escrow Amount; *minus* (3) the Per Share Expense Amount;

(B) any cash disbursements required to be made out of the Escrow Amount with respect to such share to the former holder thereof in accordance with the Escrow Agreement, as and when such disbursements are required to be made;

(C) any cash disbursements required to be made out of the Expense Amount with respect to such share to the former holder thereof in accordance with this Agreement, as and when such disbursements are required to be made.

(iii) each share of the common stock, par value $0.001 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted automatically into one fully paid and nonassessable share of common stock of the Surviving Corporation and shall constitute the only outstanding share of capital stock of the Surviving Corporation at the Effective Time. From and after the Effective Time, all certificates representing shares of common stock of Merger Sub shall be deemed for all purposes to represent the number of shares of common stock of the Surviving Corporation into which the shares of common stock of Merger Sub were converted in accordance with the immediately preceding sentence.

The amount of cash, if any, that each Effective Time Holder is entitled to receive at any particular time for the shares of Outstanding Capital Stock held by such Effective Time Holder or the shares of Capital Stock subject to Outstanding Vested Options (as defined in Section 1.6(a)) shall be rounded to the nearest cent (with $0.005 being rounded upward) and computed after aggregating the cash amounts payable at such time for all shares of each class and series of Outstanding Capital Stock represented by a particular stock certificate and all Outstanding Vested Options held by such Effective Time Holder represented by a particular option grant.

(b) Definitions. For purposes of this Agreement:

(i) "Adjusted Transaction Value" shall be: (A) $475,000,000; *plus* (B) the Cash Amount, as set forth and represented in the Merger Consideration Certificate; *minus* (C) the aggregate amount of the Indebtedness; and *minus* (D) the Company Transaction Expenses which remain unpaid as of immediately prior to the Effective Time.

(ii) "Aggregate Exercise Amount" means the aggregate dollar amount that would have been payable to the Company as purchase price for the exercise of all Outstanding Vested Options and Outstanding Unvested Options outstanding immediately prior to the Effective Time.

(iii) "Cash Amount" means the amount of cash, cash equivalents or marketable securities on Closing Date Cash Statement.

(iv) "Escrow Amount" means $31,000,000.

(v) "Expense Amount" means $1,000,000.

(vi) "Fully Diluted Company Share Number" shall be the *sum* of, without duplication: (A) the aggregate number of shares of Outstanding Common Stock (including: (1) any such shares that are subject to a repurchase option or risk of forfeiture under any restricted stock purchase agreement or other Contract; (2) any such shares subject to issuance pursuant to Options that are exercised prior to the Effective Time; and (3) any such shares subject to issuance pursuant to the conversion prior to the Effective Time of any Preferred Stock); *plus* (B) the aggregate number of shares of Capital Stock purchasable under or otherwise subject to Outstanding Vested Options and Outstanding Unvested Options (it being understood that any other rights to purchase or acquire Capital Stock that terminate as of the Effective Time, if not exercised prior to the Closing, shall not be included in the Fully Diluted Company Share Number); *plus* (C) the aggregate number of shares of Common Stock that would be issuable upon the conversion of any convertible securities of the Company (other than shares of Preferred Stock) outstanding immediately prior to the Effective Time.

(vii) "Per Share Amount" means the amount obtained by *dividing*: (A) the *sum* of (1) the Adjusted Transaction Value *plus* (2) the Aggregate Exercise Amount; *by* (B) the Fully Diluted Company Share Number.

(viii) "Per Share Escrow Amount" means, with respect to each share of Outstanding Capital Stock held by a Non-Dissenting Stockholder and each share of Capital Stock subject to an Outstanding Vested Option, the amount obtained by *dividing* (A) the Escrow Amount by (B) the *sum* of (1) the aggregate number of shares of Capital Stock held by all Non-Dissenting Stockholders *plus* (2) the aggregate number of shares of Capital Stock purchasable under or otherwise subject to Outstanding Vested Options.

(ix) "Per Share Expense Amount" means, with respect to each share of Outstanding Capital Stock held by a Non-Dissenting Stockholder and each share of Capital Stock subject to an Outstanding Vested Option, the amount obtained by *dividing* (A) the Expense Amount by (B) the *sum* of (1) the aggregate number of shares of Capital

Stock held by all Non-Dissenting Stockholders *plus* (2) the aggregate number of shares of Capital Stock purchasable under or otherwise subject to Outstanding Vested Options.

(c) Escrow. An amount equal to the Escrow Amount shall be deposited by Parent in escrow at the Effective Time, and held and disbursed by the Escrow Agent in accordance with the terms of the Escrow Agreement, in the form attached hereto as Exhibit B (the "Escrow Agreement").

(d) Expense Fund. An amount equal to the Expense Amount shall be deposited by Parent with the Securityholders' Agent at the Effective Time, and held and disbursed by the Securityholders' Agent in accordance with the terms of this Agreement.

(e) Payment of Indebtedness. At the Effective Time, Parent shall, on behalf of the Company, pay to such account or accounts as the Company specifies to Parent pursuant to the Closing Date Indebtedness Statement (as defined in Section 4.11), the aggregate amount of the Indebtedness.

(f) Payment of Company Transaction Expenses. At the Effective Time, Parent shall, on behalf of the Company, pay to such account or accounts as the Company specifies to Parent pursuant to the Merger Consideration Certificate the aggregate amount of the unpaid Company Transaction Expenses.

(g) Adjustments. If the Company, at any time or from time to time between the date of this Agreement and the Effective Time, declares or pays any dividend on Capital Stock payable in Capital Stock or in any right to acquire Capital Stock, or effects a subdivision of the outstanding shares of Capital Stock into a greater number of shares of Capital Stock, or in the event the outstanding shares of Capital Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Capital Stock, or a record date with respect to any of the foregoing shall occur during such period, then the amounts payable in respect of shares of Outstanding Capital Stock pursuant to Section 1.5(a) and the amounts payable in respect of shares of Capital Stock subject to Outstanding Vested Options pursuant to Section 1.6 shall be appropriately adjusted.

1.6 Treatment of Stock Options.

(a) Vested Stock Options. Subject to Section 1.8(h), each Option that is vested, outstanding and unexercised immediately prior to the Effective Time (including all Options that vest contingent upon the Merger) (each such Option being referred to in this Agreement as an "Outstanding Vested Option") shall not be assumed or substituted with an equivalent option or right but shall terminate and shall be cancelled at the Effective Time, and the holder thereof shall be entitled to receive for each share of Capital Stock subject to such Outstanding Vested Option:

(i) an amount in cash equal to: (A) the Per Share Amount; *minus* (B) the exercise price per share of Capital Stock subject to such Outstanding Vested Option; *minus* (C) the Per Share Escrow Amount per share of Capital Stock *minus* (D) the Per Share Expense Amount per share of Capital Stock;

(ii) any cash disbursements required to be made out of the Escrow Amount with respect to such share of Capital Stock to the former holder of such Outstanding Vested Option in accordance with the Escrow Agreement, as and when such disbursements are required to be made; and

(iii) any cash disbursements required to be made out of the Expense Amount with respect to such share of Capital Stock to the former holder of such Outstanding Vested Option in accordance with this Agreement, as and when such disbursements are required to be made.

Prior to the Effective Time, the Company shall take all action that may be necessary (under the Stock Plans or otherwise) to effectuate the provisions of this Section 1.6(a) and to ensure that, from and after the Effective Time, each holder of an Outstanding Vested Option cancelled as provided in this Section 1.6(a) shall cease to have any rights with respect thereto, except the right to receive the consideration specified in this Section 1.6(a), without interest.

(b) Unvested Stock Options.

(i) Non-employees. Except as may otherwise be provided in a separate written agreement (if any) entered into between a non-employee of an Acquired Company and the Parent or Surviving Corporation between the Agreement Date and Closing who is a holder of an Outstanding Unvested Option and the Company, as of the Effective Time, each Outstanding Unvested Option held by a non-employee of an Acquired Company shall have its vesting accelerated to be fully vested. For purposes of this Section 1.6(b)(i), "non-employees" excludes all non-employees of an Acquired Company who are no longer providing services to the Acquired Company as of the Agreement Date (and therefore all Outstanding Unvested Options held by any such non-employee of an Acquired Company who is no longer providing services shall be canceled prior to the Effective Time to the extent they have not already been canceled).

(ii) Employees. Except as may otherwise be provided in a separate written agreement (if any) between an employee of an Acquired Company who is a holder of an Outstanding Unvested Option and the Company, (i) as of the Effective Time, 50% of the shares subject to each such Outstanding Unvested Option shall have vesting accelerated to be fully vested with shares that would vest to be agreed upon in writing between Parent and the Company (provided that if any such holder has an odd number of Outstanding Unvested Options, the one Option remaining after calculating the amount that is 50% of such Outstanding Unvested Option shall have vesting accelerated to be fully vested), and (ii) as of the Effective Time, the remaining 50% of each such Outstanding Unvested Option shall be converted into and become an option to purchase Parent Common Stock, with such conversion effected through Parent (A) assuming such Outstanding Unvested Option or (B) replacing such Outstanding Unvested Option by issuing a reasonably equivalent replacement stock option to purchase Parent Common Stock in substitution therefor, in either case in accordance with the terms (as in effect as of the date of this Agreement) of the applicable Stock Plan, and the terms of the stock option agreement by which such Outstanding Unvested Option is evidenced and otherwise in compliance with the requirements of Code Sections 409A, 424(a) and 422

such that each such assumed or replaced Option is exempt from Code Section 409A and maintains its status as an "incentive stock option" (if applicable), to the extent permitted by the Code. All rights under the Outstanding Unvested Options which are assumed or replaced by Parent shall thereupon be converted into rights with respect to Parent Common Stock. Accordingly, from and after the Effective Time: (A) each Outstanding Unvested Option assumed or replaced by Parent may be exercised solely for shares of Parent Common Stock; (B) the number of shares of Parent Common Stock subject to each Outstanding Unvested Option assumed or replaced by Parent shall be determined by multiplying the number of shares of Company's Common Stock that were subject to such Outstanding Unvested Option immediately prior to the Effective Time by the Conversion Ratio (as defined below), and rounding the resulting number down to the nearest whole number of shares of Parent Common Stock; (C) the per share exercise price for the Parent Common Stock issuable upon exercise of each Outstanding Unvested Option assumed or replaced by Parent shall be determined by dividing the per share exercise price of Common Stock subject to such Outstanding Unvested Option, as in effect immediately prior to the Effective Time, by the Conversion Ratio, and rounding the resulting exercise price up to the nearest whole cent; and (D) subject to the terms of the stock option agreement by which such Outstanding Unvested Option is evidenced, any restriction on the exercise of any Outstanding Unvested Option assumed or replaced by Parent shall continue in full force and effect and the term, exercisability, vesting schedule and other provisions of such Outstanding Unvested Option shall otherwise remain unchanged as a result of the assumption or replacement of such Outstanding Company Option; provided, however, that Parent's board of directors or a committee thereof shall succeed to the authority and responsibility of the Company's board of directors or any committee thereof with respect to each Outstanding Unvested Option assumed or replaced by Parent. The "Conversion Ratio" means a fraction having a numerator equal to Per Share Amount and having a denominator equal to the average of the closing sale prices of a share of Parent Common Stock as reported by the New York Stock Exchange for each of the five consecutive trading days immediately preceding the Closing Date; provided, however, that if, between the date of this Agreement and the Effective Time, the outstanding shares of Company's Common Stock or Parent Common Stock are changed into a different number or class of shares by reason of any stock split, division or subdivision of shares, stock dividend, reverse stock split, consolidation of shares, reclassification, recapitalization or other similar transaction, then the Conversion Ratio shall be adjusted to the extent appropriate. Following the Effective Time, the Outstanding Unvested Options that are assumed or replaced by Parent pursuant to this Section 1.6(b) shall vest according to such option's original vesting schedule after taking into account the acceleration of the Outstanding Unvested Options.

(c) Payment. Following the Effective Time, Parent shall cause the consideration specified in Section 1.6(a) to be paid to each holder of an Outstanding Vested Option, through the Surviving Corporation's payroll system in accordance with standard payroll practices (and in any event no later than the Surviving Corporation's second payroll run following the Closing Date), without interest and subject to any required withholding for applicable Taxes.

1.7 Dissenting Shares.

(a) Effect on Dissenting Shares. Notwithstanding any provisions of this Agreement to the contrary, shares of Capital Stock held by a holder who has properly asserted such holder's dissenter's rights under the DGCL (or under Chapter 13 of the CGCL ("Chapter 13")), and as of the Closing has neither effectively withdrawn nor lost (through failure to perfect or otherwise) such holder's right to payment of the "fair value" for such shares under the DGCL (the "Dissenting Shares") shall not be converted into the applicable Merger Consideration, but shall be entitled to only such rights as are granted by the DGCL (or Chapter 13). Parent shall be entitled to retain any Merger Consideration not paid on account of such Dissenting Shares pending resolution of the claims of such holders, and the Effective Time Holders shall not be entitled to any portion of such retained Merger Consideration.

(b) Loss of Dissenting Share Status. Notwithstanding the provisions of Section 1.7(a), if any holder of shares of Capital Stock who has asserted such holder's right to payment of the "fair value" for such holder's shares under the DGCL (or "fair market value" for such holder's shares under Chapter 13) shall effectively withdraw or lose (through the failure to perfect or otherwise) such holder's dissenters' rights, then such holder's shares of Capital Stock shall thereupon be deemed automatically to have been converted, as of the Effective Time, into the right to receive the applicable Merger Consideration, without interest thereon, promptly following the surrender of the certificate or certificates representing such shares of Capital Stock or upon the delivery of an appropriate affidavit, in each case, in accordance with Section 1.8.

(c) Notice of Dissenting Shares. The Company shall give Parent: (i) prompt notice of any demands for payment for shares of Capital Stock received by the Company, withdrawals of any demands, and any other instruments or notices served or otherwise delivered pursuant to the DGCL (or Chapter 13) and received by the Company; and (ii) the opportunity to direct all negotiations and proceedings with respect to any such demands or other instruments or notices. The Company shall not, except with the prior written consent of Parent (which consent shall not be unreasonably delayed, withheld or conditioned), make any payment with respect to, settle, offer to settle or otherwise negotiate any such demands.

1.8 Exchange of Certificates.

(a) Payment Agent. On or prior to the Closing Date, Parent shall select a bank or trust company reasonably acceptable to the Company to act as payment agent in the Merger (the "Payment Agent"). On or prior to the Effective Time, Parent shall deposit with the Payment Agent cash sufficient to pay the cash consideration payable pursuant to Section 1.5(a)(ii). Within five (5) Business Days following the Effective Time, Parent shall deposit with the Company's payroll provider cash sufficient to pay the cash consideration payable pursuant to Section 1.6(a). The cash amount so deposited with the Payment Agent is referred to herein as the "Payment Fund." The Payment Agent will be instructed to invest the funds included in the Payment Fund in the manner directed by Parent, but any risk of loss shall remain with Parent. Any interest or other income resulting from the investment of such funds shall be the property of, and will be paid to, Parent.

(b) Letter of Transmittal. Prior to the Effective Time, the Company shall mail to each Person who is a record holder of Capital Stock immediately prior to the Effective Time: (i) a letter of transmittal containing such provisions as Parent or the Payment Agent may specify

(including a provision confirming that delivery of Company Stock Certificates (as defined in Section 1.8(d)) shall be effected, and risk of loss and title to Company Stock Certificates shall pass, only upon delivery of such Company Stock Certificates to the Payment Agent, and a provision whereby such holder agrees to be bound by the provisions of Sections 1.8, 9, 10.1 and the other applicable provisions of this Agreement), in each case as reasonably acceptable to the Company (a "Letter of Transmittal"); and (ii) instructions for use in effecting the exchange of Company Stock Certificates for the Merger Consideration, if any, payable with respect to such Capital Stock. Upon the surrender to the Payment Agent of a Company Stock Certificate (or an affidavit of lost stock certificate as described in Section 1.8(e)), together with a duly executed Letter of Transmittal and such other documents as Parent or the Payment Agent may reasonably request, the holder of such Company Stock Certificate shall be entitled to receive in exchange therefor cash in an amount equal to the Merger Consideration, if any, which such holder has the right to receive pursuant to Section 1.5(a) at the time of such surrender, the Company Stock Certificate so surrendered shall forthwith be canceled, and the amount equal to the Merger Consideration shall be paid to such holder promptly. From and after the Effective Time, each Company Stock Certificate which prior to the Effective Time represented shares of Capital Stock shall be deemed to represent only the right to receive the Merger Consideration, if any, payable with respect to such shares, and the holder of each such Company Stock Certificate shall cease to have any rights with respect to the shares of Capital Stock formerly represented thereby.

(c) Payments to Others. If payment of Merger Consideration in respect of shares of Capital Stock converted pursuant to Section 1.5 is to be made to a Person other than the Person in whose name a surrendered Company Stock Certificate is registered, it shall be a condition to such payment that the Company Stock Certificate so surrendered shall be properly endorsed or shall be otherwise in proper form for transfer and that the Person requesting such payment shall have paid any transfer and other similar Taxes required by reason of such payment in a name other than that of the registered holder of the Company Stock Certificate surrendered or shall have established to the satisfaction of Parent that such Tax either has been paid or is not payable.

(d) Stock Transfer Books. As of the Effective Time, the stock transfer books of the Company shall be closed and there shall not be any further registration of transfers of shares of Capital Stock thereafter on the records of the Company. If, after the Effective Time, certificates for shares of Outstanding Capital Stock ("Company Stock Certificates") are presented to the Surviving Corporation, they shall be canceled and exchanged for the Merger Consideration, if any, payable with respect to such shares as provided for in Section 1.5. No interest shall accrue or be paid on any Merger Consideration payable upon the surrender of a Company Stock Certificate.

(e) Lost Certificates. In the event any Company Stock Certificate representing shares of Outstanding Capital Stock shall have been lost, stolen or destroyed, Parent may, in its discretion and as a condition precedent to the payment of any Merger Consideration with respect to the shares of Capital Stock previously represented by such Company Stock Certificate, require the owner of such lost, stolen or destroyed Company Stock Certificate to provide an appropriate affidavit and, if required by the Payment Agent, to deliver a bond (in such amount, in such form and with such surety as Parent may reasonably direct) as indemnity against

any claim that may be made against the Payment Agent, Parent, the Surviving Corporation or any affiliated party with respect to such Company Stock Certificate.

(f) Undistributed Payment Funds. Any portion of the Payment Fund that remains undistributed to Effective Time Holders as of the date that is 180 days after the Closing Date shall be delivered to Parent upon demand, and Effective Time Holders who have not theretofore surrendered their Company Stock Certificates in accordance with this Section 1.8 shall thereafter look only to Parent for satisfaction of their claims for the Merger Consideration payable with respect to the shares of Capital Stock previously represented by such Company Stock Certificates, and/or shares of Capital Stock subject to Vested Outstanding Options, in each case without any interest thereon.

(g) Escheat. Notwithstanding anything in this Agreement to the contrary, neither Parent nor any other Person shall be liable to any Effective Time Holder or to any other Person for any amount paid to a public official pursuant to applicable abandoned property law, escheat law or similar applicable Legal Requirement. Any Merger Consideration or other amounts remaining unclaimed by Effective Time Holders three years after the Effective Time (or such earlier date immediately prior to such time as such amounts would otherwise escheat to or become property of any Governmental Entity) shall, to the extent permitted by applicable Legal Requirements, become the property of Parent but thereafter remain subject to claim by the Securityholder otherwise entitled thereto (subject to applicable statute of limitations).

(h) Withholding. Each of the Payment Agent, Parent and the Surviving Corporation shall be entitled to deduct and withhold from any consideration payable pursuant to this Agreement to any Securityholder or former Securityholder of the Company such amounts as Parent determines in good faith are required to be deducted or withheld therefrom or in connection therewith under the Code or any provision of state, local or foreign Tax law or under any other applicable Legal Requirement. To the extent such amounts are so deducted or withheld and paid over to the appropriate Taxing Authority, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.

1.9 Further Action. If, at any time after the Effective Time, any further action is reasonably determined by Parent to be necessary or desirable to carry out the purposes of this Agreement or to vest the Surviving Corporation or Parent with full right, title and possession of and to all rights and property of Merger Sub and the Company, the officers and directors of the Surviving Corporation and Parent shall be fully authorized (in the name of Merger Sub, in the name of the Company and otherwise) to take such action.

2. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as specifically set forth in the Disclosure Schedule prepared by the Company in accordance with Section 10.18 and delivered to Parent concurrently with the execution and delivery of this Agreement setting forth specific exceptions to the Company's representations and warranties set forth in this Section 2, the Company represents and warrants, to and for the benefit of the Indemnitees (with the understanding and acknowledgement that Parent and Merger Sub would not have entered into this Agreement without being provided with the representations

and warranties set forth herein, that Parent and Merger Sub are relying on these representations and warranties, and that these representations and warranties constitute an essential and determining element of this Agreement, in each case as such representations and warranties are qualified by the Disclosure Schedule), as follows:

2.1 Organizational Matters.

(a) Organization, Standing and Power to Conduct Business. Each Acquired Company (i) has been duly organized, and is validly existing and in good standing (or equivalent status) (for jurisdictions which recognize such concept) under the laws of the jurisdiction of its formation; (ii) has the requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted; and (iii) is duly qualified and in good standing to do business (for jurisdictions which recognize such concept) in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary, except where any such failures to be so qualified, individually or in the aggregate, have not had and would not reasonably be expected to have or result in a Material Adverse Effect. Section 2.1(a) of the Disclosure Schedule accurately sets forth, as of the Agreement Date, each jurisdiction where each Acquired Company is qualified, licensed or admitted to do business.

(b) Charter Documents. The Company has delivered to Parent accurate and complete copies of the certificate of incorporation and bylaws, memorandum of association, articles of association or equivalent governing documents of each Acquired Company, in each case as amended to date and currently in effect (such instruments and documents, the "Charter Documents"). All actions taken and all transactions entered into by each Acquired Company have been duly approved by all necessary action of the board of directors (or other similar body) and stockholders of such Acquired Company. There has been no violation of any of the provisions of the Charter Documents of any of the Acquired Companies, and no Acquired Company has taken any action that is inconsistent in any material respect with any resolution adopted by such Acquired Company's stockholders or board of directors (or other similar body) or any committee of the board of directors (or other similar body) of such Acquired Company.

(c) Directors and Officers. Section 2.1(c) of the Disclosure Schedule accurately sets forth as of the Agreement Date: (i) the names of the members of the board of directors (or similar body) of each Acquired Company; (ii) the names of the members of each committee of the board of directors (or similar body) of each Acquired Company; and (iii) the names and titles of the officers of each Acquired Company.

(d) Subsidiaries. Section 2.1(d) of the Disclosure Schedule sets forth, as of the Agreement Date, a complete and accurate list naming each Entity in which any Acquired Company owns, holds or has any interest in or right to acquire capital stock or other equity interests or ownership interests and the jurisdiction of organization of each such Entity. There are no outstanding securities convertible into or exchangeable or exercisable for capital stock or other equity interests or ownership interests in any Subsidiary, or options, warrants or other rights to acquire capital stock or other equity interests or ownership interests in any Acquired Company (other than the Company). Except for the equity interests identified in Section 2.1(d) of the Disclosure Schedule, none of the Acquired Companies has ever owned, beneficially or

otherwise, any shares or other securities of, or any direct or indirect equity interest in, any Entity. None of the Acquired Companies has agreed or is obligated to make any future investment in or capital contribution to any Entity.

(e) Predecessors. There are no Entities that have been merged into or that otherwise are predecessors to any Acquired Company.

(f) Powers of Attorney. There are no outstanding powers of attorney executed by or on behalf of any Acquired Company (except, in the case of a Subsidiary of the Company in favor of the Company).

2.2 Capital Structure.

(a) Capital Stock.

(i) The authorized capital stock of the Company consists of 7,000,000 shares of Common Stock and 2,194,288 shares of Preferred Stock, all of which shares of Preferred Stock are designated as Series A-1 Preferred Stock.

(ii) As of the date hereof: (A) there are 3,390,533 shares of Common Stock issued and outstanding; (B) there are 2,194,288 shares of Series A-1 Preferred Stock issued and outstanding; and (C) the Company has no other issued or outstanding shares of Capital Stock. All of the issued and outstanding shares of Capital Stock have been duly authorized and validly issued, and are fully paid, non-assessable and not subject to any preemptive rights. Except as set forth in Section 2.2(a)(ii) of the Disclosure Schedule, no shares of Capital Stock are subject to any repurchase option, forfeiture provision or restriction on transfer (other than restrictions on transfer imposed by virtue of applicable federal and state securities laws).

(iii) No shares of Capital Stock are held as treasury stock or are owned by the Company. The Company has never declared or paid any dividends on any shares of Capital Stock. Since the filing of the Restated Certificate with the Secretary of State of the State of Delaware on August 2, 2013 to the Agreement Date, no shares of Capital Stock have been issued (other than pursuant to exercises of Options issued to employees of any Acquired Company under the Stock Plans) and no adjustment has been made, pursuant to the provisions of the Restated Certificate or otherwise, to the conversion price of any share of Preferred Stock. No consideration is or was required to be paid in respect of any share of Preferred Stock upon conversion of such shares into shares of Common Stock in accordance with the Restated Certificate.

(iv) Section 2.2(a)(iv) of the Disclosure Schedule sets forth, as of the Agreement Date, an accurate and complete list of the holders of all the issued and outstanding shares of Capital Stock, the addresses of each such holder (based on the books and records of the Company) and the class, series and number of shares of Capital Stock owned of record by each such holder.

(b) Stock Options. The Company has reserved 1,066,824 shares of Common Stock for issuance under the Stock Plans, of which options with respect to 953,281 shares are

outstanding as of the date of this Agreement. Section 2.2(b) of the Disclosure Schedule accurately sets forth, with respect to each Option that is outstanding as of the date of this Agreement: (i) the name of the holder of such Option and whether such holder is an employee or non-employee; (ii) the total number of shares of Common Stock that are subject to such Option and the number of shares of Common Stock with respect to which such Option is immediately exercisable; (iii) the date on which such Option was granted and the term of such Option; (iv) the vesting schedule for such Option and whether the vesting of such Option shall be subject to any acceleration in connection with the Merger or any of the other transactions contemplated by this Agreement; (v) the exercise price per share of Common Stock purchasable under such Option; and (vi) whether such Option is an "incentive stock option" as defined in Section 422 of the Code or subject to Section 409A of the Code. Each grant of an Option was duly authorized no later than the date on which the grant of such Option was by its terms to be effective (the "Grant Date") 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, each such grant was made in compliance with the terms of the applicable compensation plan or arrangement of the Company and all other applicable Legal Requirements, the per share exercise price of each Option was equal to or greater than the fair market value of a share of Common Stock on the applicable Grant Date and, except as set forth in Section 2.2(b) of the Disclosure Schedule, each such grant was properly accounted for in accordance with GAAP in the financial statements (including the related notes) of the Company and each Option qualifies for the Tax treatment afforded to such Option in the Tax Returns of the Company. All options with respect to shares of Common Stock that were ever issued by the Company ceased to vest on the date on which the holder thereof ceased to be an employee of or a consultant to the Company. The exercise of the Options and the payment of cash in respect thereof complied and will comply with the terms of the Stock Plans, all Contracts applicable to such Options and all applicable Legal Requirements and, as of the Effective Time, no former holder of an Option will have any rights with respect to such Option other than the rights contemplated by Section 1.6(a). The Company has delivered to Parent accurate and complete copies of the Stock Plans, each form of agreement used thereunder and each Contract pursuant to which any Option is outstanding.

(c) No Other Securities. Except for the conversion privileges of the Preferred Stock and except as set forth in Section 2.2(b) of the Disclosure Schedule, there is no: (i) outstanding subscription, option, call, convertible note, warrant or right (whether or not currently exercisable) with respect to any shares of Capital Stock or other securities of any Acquired Company; (ii) outstanding security, instrument or obligation that is or may become convertible into or exchangeable for any shares of Capital Stock (or cash based on the value of such shares) or other securities of any Acquired Company; (iii) Contract under which any Acquired Company is or may become obligated to sell, grant, deliver or otherwise issue any shares of Capital Stock or any other securities, including any promise or commitment to grant Options or other securities of any Acquired Company to an employee of or other service provider to any Acquired Company; (iv) Contract under which the Company is or may become obligated to issue or distribute to holders of any shares of capital stock any evidences of indebtedness or assets of any Acquired Company; or (v) condition or circumstance that provides a legally-binding basis for the assertion of a claim by any Person to the effect that such Person is entitled to acquire or receive

any shares of Capital Stock or other securities of any Acquired Company. As of the Effective Time (and after giving effect to the Merger), there will be no outstanding options, warrants, restricted stock or other rights to purchase shares of Capital Stock or other securities of any Acquired Company.

(d) No Agreements. Except as set forth in Section 2.2(d) of the Disclosure Schedule, there are no Contracts between any Acquired Company and any Securityholder, or, to the actual Knowledge of the Company (without inquiry or investigation), among any Securityholders, relating to the issuance, acquisition (including rights of first refusal or preemptive rights), disposition, registration under the Securities Act of 1933, as amended (the "Securities Act") or voting of the capital stock of any Acquired Company. Section 2.2(d) of the Disclosure Schedule accurately identifies each Company Contract relating to any securities of any Acquired Company that contains any information rights, registration rights, financial statement requirements or other terms that would survive the Closing unless terminated or amended prior to the Closing.

(e) Compliance with Laws. All shares of Capital Stock, all Options and other rights to acquire Capital Stock and all other securities that have ever been issued or granted by any Acquired Company have been issued and granted in compliance with: (i) all applicable securities laws and all other applicable Legal Requirements; and (ii) all requirements set forth in all applicable Contracts. None of the outstanding shares of Capital Stock were issued in violation of any preemptive rights or other rights to subscribe for or purchase securities of the Company.

(f) Repurchased Shares. Section 2.2(f) of the Disclosure Schedule accurately sets forth, as of the Agreement Date, with respect to any shares of capital stock ever repurchased or redeemed by any Acquired Company (other than unvested shares repurchased by the Company in connection with a holder's termination of service with an Acquired Company): (i) the name of the seller of such shares; (ii) the number, class and series of shares repurchased or redeemed; (iii) the date of such repurchase or redemption; and (iv) the price paid by such Acquired Company for such shares. All shares of capital stock ever repurchased or redeemed by any Acquired Company were repurchased or redeemed in compliance with: (A) all applicable securities laws and other applicable Legal Requirements; and (B) all requirements set forth in all applicable Contracts.

(g) Merger Consideration. No Person will be entitled to receive any Merger Consideration as a result of the Merger and the other transactions contemplated by this Agreement or any other Transaction Document, other than the Securityholders as shown in the Merger Consideration Certificate.

(h) Subsidiary Shares. All of the shares of, and other equity interests or ownership interests in, each Subsidiary of the Company are owned by the Company free and clear of any Liens (other than Permitted Liens). The outstanding shares of each Subsidiary of the Company have been duly authorized and validly issued and are fully paid and nonassessable, have been issued in compliance with all applicable securities laws and other applicable Legal Requirements and were not issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities of such Subsidiaries. There are no options, warrants or other rights outstanding to subscribe for or purchase any shares or other securities of the

Subsidiaries of the Company and such Subsidiaries are not subject to any Contract or court or administrative Order under which any of such Subsidiaries is or may become obligated to sell or otherwise issue any shares or other securities. There are no preemptive rights applicable to any shares of any of the Subsidiaries of the Company. None of the Subsidiaries of the Company has the right to vote on or approve the Merger or any of the other transactions contemplated by this Agreement. The capital stock or other equity interests or ownership interests of the Subsidiaries are not subject to any voting trust agreement or any other Contract relating to the voting, dividend rights or disposition of the capital stock or other equity interests of the Subsidiaries.

2.3 Authority and Due Execution.

(a) Authority. The Company has all requisite corporate power and authority to enter into this Agreement and each other agreement, document or instrument referred to in or contemplated by this Agreement to which the Company is or will be a party (the "Company Transaction Documents") and to consummate the transactions contemplated hereby or thereby. The execution, delivery and performance of this Agreement and the Company Transaction Documents by the Company, and the consummation by the Company of the transactions contemplated hereby or thereby, have been duly authorized by all necessary corporate action on the part of the Company and its board of directors, and no other corporate proceedings on the part of the Company are necessary to authorize the execution, delivery and performance of this Agreement and the Company Transaction Documents by the Company or to consummate the transactions contemplated hereby or thereby, other than adoption and approval of the Agreement by the Company's stockholders.

(b) Due Execution. This Agreement has been, and, upon execution and delivery, each Company Transaction Document will be, duly executed and delivered by the Company and, assuming due execution and delivery by the other parties hereto and thereto, constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject only to the effect, if any, of (i) applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally, and (ii) rules of law governing specific performance, injunctive relief and other equitable remedies.

(c) Board Approval. The Company's board of directors has: (i) unanimously determined that the Merger is fair to and in the best interests of the Company and its stockholders; (ii) unanimously adopted this Agreement; (iii) unanimously recommended the approval of this Agreement by the holders of Capital Stock and directed that this Agreement and the Merger be submitted for consideration by the Company's stockholders in accordance with Section 5.2; and (iv) to the extent necessary, adopted a resolution having the effect of causing the Company not to be subject to any state takeover law or similar applicable Legal Requirement that might otherwise apply to the Merger or any of the other transactions contemplated by this Agreement.

(d) No Takeover Statute. No state or foreign takeover statute or similar applicable Legal Requirement applies or purports to apply to the Merger, this Agreement or any of the transactions contemplated hereby.

2.4 Non-Contravention and Consents.

(a) Non-Contravention. The execution and delivery of this Agreement and each other Transaction Document does not, and the consummation of the Merger and the performance of this Agreement and each other Transaction Document will not, (i) conflict with or violate the Charter Documents of any Acquired Company or any resolution adopted by the stockholders, board of directors (or other similar body) or any committee of the board of directors (or other similar body) of any of the Acquired Companies, (ii) conflict with or violate any applicable Legal Requirement or any Order to which any of the Acquired Companies or any of the assets owned by any of the Acquired Companies, is subject, (iii) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or impair the rights of any Acquired Company or alter the rights or obligations of any Person under, or give to any Person any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a Lien on any of the properties or assets of any Acquired Company pursuant to, any Material Contract; or (iv) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Entity the right to revoke, withdraw, suspend, cancel, terminate or modify, any Permit that is held by any of the Acquired Companies or that otherwise relates to such Acquired Company's business or to any of the assets owned by such Acquired Company.

(b) Contractual Consents. No Consent under any Material Contract is required to be obtained, and no Acquired Company is or will be required to give any notice to, any Person in connection with the execution, delivery or performance of this Agreement or any other Transaction Document or the consummation of the transactions contemplated hereby or thereby. (For purposes of this Agreement, a Consent will be deemed "required to be obtained," and a notice will be deemed "required to be given," if the failure to obtain such Consent or give such notice could result in any Acquired Company becoming subject to any liability or obligation for breach of contract, being required to make any payment or losing or forgoing any right or benefit.)

(c) Governmental Consents. No Consent of any Governmental Entity is required to be obtained, and no filing is required to be made with any Governmental Entity, by any Acquired Company either (A) in connection with the execution, delivery and performance of this Agreement or any other Transaction Document, or (B) the consummation of the transactions contemplated hereby or thereby, except for: (1) the filing of a pre-merger notification and report form under the HSR Act, and the expiration or termination of the applicable waiting period thereunder; and (2) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware.

2.5 Financial Statements.

(a) Financial Statements. The Company has delivered to Parent the following financial statements (collectively, the "Financial Statements"): (i) its unaudited consolidated financial statements (consisting of a balance sheet, statement of cash flows and income statement for the fiscal years ended December 31, 2012 and 2013 and (ii) its unaudited consolidated financial statements (consisting of a balance sheet, statement of cash flows and income statement) as of and for the twelve month period ended December 31, 2014 (the "Interim

Financial Statements"). Except as set forth in Section 2.5(a) of the Disclosure Schedule, the Financial Statements were prepared in accordance with GAAP consistently applied throughout the periods covered and in accordance with the Company's historic past practice and fairly present the consolidated financial position, results of operations and cash flows of the Acquired Companies as of the dates, and for the periods, indicated therein (except that the Financial Statements do not contain footnotes and are subject to normal year-end audit adjustments). Except as set forth in Section 2.5(a) of the Disclosure Schedule, the Pre-Closing Financial Statements (as defined in Section 4.1) will be prepared in accordance with GAAP consistently applied throughout the periods covered and on a basis consistent with the basis on which the Financial Statements were prepared and in accordance with the Company's historic past practice and fairly present the consolidated financial position, results of operations and cash flows of the Acquired Companies as of the dates, and for the periods, indicated therein. Except as set forth in Section 2.5(a) of the Disclosure Schedule, each Acquired Company maintains a standard system of accounting established and administered in accordance with GAAP, including complete books and records in written or electronic form.

(b) Internal Controls. To the Knowledge of the Company, each Acquired Company maintains 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 and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP. To the Knowledge of the Company, there are no significant deficiencies or material weaknesses in the design or operation of any Acquired Company's internal control over financial reporting that are reasonably likely to adversely affect such Acquired Company's ability to record, process, summarize and report financial information to such Acquired Company's management and board of directors; there is no fraud, whether or not material, that involves management or other employees who have a significant role in any Acquired Company's internal control over financial reporting; and to the Knowledge of the Company each Acquired Company's internal control over financial reporting is effective.

(c) Accounts Receivable. All of the accounts receivable of the Acquired Companies arose in the ordinary course of business, are carried on the records of the Acquired Companies at values determined in accordance with GAAP and are bona fide. No Person has any Lien (other than Permitted Liens) on any of such accounts receivable, and no request or agreement for deduction or discount has been made with respect to any of such accounts receivable except as fully and adequately reflected in reserves for doubtful accounts set forth in the Financial Statements and as will be set forth in the Closing Balance Sheet (as defined in Section 4.11).

(d) Insider Receivables. Section 2.5(d) of the Disclosure Schedule provides an accurate and complete breakdown of all amounts (including any Indebtedness) owed to any Acquired Company by any Company Employee or stockholder of the Company ("Insider Receivables") as of the date of this Agreement. There will be no outstanding Insider Receivables as of the Effective Time.

(e) Certain Accounting Practices. Except as set forth in Section 2.5(e) of the Disclosure Schedule, since December 31, 2013, no Acquired Company has changed its methods

of accounting, accounting principles, accounting practices, collection practices, credit policy or customer profiling practices.

2.6 No Liabilities; Indebtedness.

(a) Absence of Liabilities. No Acquired Company has any liabilities of any nature required to be reflected in a balance sheet prepared in accordance with GAAP other than: (i) liabilities identified as such in the "liabilities" column of the balance sheet included in the Interim Financial Statements and (ii) current liabilities incurred subsequent to the date of the Interim Financial Statements in the ordinary course of business consistent with past practices. None of the Acquired Companies is or has ever been a party to any "off balance sheet arrangements" (as defined in Item 303(a)(4) of Regulation S-K of the SEC)).

(b) Indebtedness. Section 2.6(b) of the Disclosure Schedule sets forth a complete and correct list of all Indebtedness of the Acquired Companies as of the date of this Agreement, identifying the creditor including name and address of such creditor, the type of instrument under which the Indebtedness is owed and the amount of the Indebtedness as of the close of business on the date of this Agreement. No Indebtedness of any Acquired Company contains any restriction upon (i) the prepayment of any of such Indebtedness, (ii) the incurrence of Indebtedness by any Acquired Company, or (iii) the ability of any Acquired Company to grant any Lien (other than Permitted Liens) on its properties or assets. With respect to each item of Indebtedness, no Acquired Company is in default and no payments are past due. No Acquired Company has received any notice of a default, alleged failure to perform or any offset or counterclaim with respect to any item of Indebtedness that has not been fully remedied and withdrawn. The consummation of the transactions contemplated by this Agreement or any Transaction Document will not cause a default, breach or an acceleration, automatic or otherwise, of any conditions, covenants or any other terms of any item of Indebtedness. The Merger Consideration Certificate will contain a complete and accurate list of all Indebtedness of the Acquired Companies as of the Closing Date, identifying the creditor including name and address of such creditor, the type of instrument under which the Indebtedness is owed and the amount of the Indebtedness as of the Effective Time. None of the Acquired Companies has guaranteed or is responsible or liable for any Indebtedness of any other Person.

(c) Director and Officer Indemnification. As of the Agreement Date, to the actual Knowledge of the Company (without inquiry or investigation), no event has occurred, and no circumstance or condition exists, that has resulted in, or that will or would reasonably be expected to result in, any claim for indemnification, reimbursement, contribution or the advancement of expenses by any Company Employee (other than a claim for reimbursement by the Company, in the ordinary course of business, of travel expenses or other out-of-pocket expenses of a routine nature incurred by such Company Employee in the course of performing such Company Employee's duties for the Company) or any current or former agent (that is a natural person who has performed services as a director, officer or manager of any Acquired Company or any of its joint venture entities) of the Company pursuant to: (i) the terms of the Charter Documents of any Acquired Company; (ii) any indemnification agreement or other Contract between any Acquired Company and any such Company Employee or agent; or (iii) any applicable Legal Requirement.

2.7 Litigation. Except as set forth in Section 2.7 of the Disclosure Schedule, as of the Agreement Date, there is no Legal Proceeding pending, or to the Knowledge of the Company, that has been threatened against any Acquired Company: (i) that involves any of the Acquired Companies or any of the assets owned by any of the Acquired Companies or any Person whose liability any of the Acquired Companies has retained or assumed, either contractually or by operation of law; (ii) that challenges, or that is reasonably likely to have the effect of preventing, delaying, making illegal or otherwise interfering with, the Merger or any of the other transactions contemplated by this Agreement; or (iii) that relates to the ownership of any capital stock of any of the Acquired Companies, or any option or other right to the capital stock of any of the Acquired Companies, or right to receive consideration as a result of this Agreement. Section 2.7 of the Disclosure Schedule lists, as of the Agreement Date, all Legal Proceedings that (A) the Acquired Companies have pending or threatened against other parties; and (B) have ever been pending against any of the Acquired Companies.

2.8 Taxes.

(a) (i) All Tax Returns required to be filed by or on or behalf of the Acquired Companies have been duly and timely filed, taking into account any extension of time to file timely granted to or obtained on behalf of the Acquired Companies; (ii) each such Tax Return is accurate and complete; (iii) all Taxes shown as due on such Tax Returns and all other material Taxes owed by the Acquired Companies that are or have become due have been paid in full; (iv) all material Tax withholding and deposit requirements imposed on or with respect to the Acquired Companies have been satisfied in full; and (v) there are no Liens (other than Liens for Taxes that have not yet become due) on any of the assets of the Acquired Companies that arose in connection with any failure (or alleged failure) to pay any Tax.

(b) Section 2.8(b) of the Disclosure Schedule lists all federal, state, local and foreign income Tax Returns filed or required to be filed with respect to each Acquired Company for the three taxable years ending prior to the Closing Date, indicates those Tax Returns that are currently the subject of audit and indicates those Tax Returns whose audits have been closed. The Company has delivered or made available to Parent accurate and complete copies of all income Tax Returns and other material Tax Returns filed by the Acquired Companies during the past three years and all correspondence to the Acquired Companies from, or from the Acquired Companies to, a Taxing Authority relating thereto.

(c) As of the Agreement Date, there is no claim against any Acquired Company for any Taxes, and no assessment, deficiency or adjustment has been asserted, proposed or, to the Knowledge of the Company, threatened with respect to any Tax Return of or with respect to the Acquired Companies, other than those disclosed in Section 2.8(c) of the Disclosure Schedule. No Tax audits or administrative or judicial proceedings are being conducted, are pending or, to the Knowledge of the Company, have been threatened with respect to the Acquired Companies, other than those disclosed in Section 2.8(c) of the Disclosure Schedule. As of the Agreement Date, no written claim has ever been made by an authority in a jurisdiction where any Acquired Company does not file Tax Returns that such Acquired Company is or may be subject to taxation in that jurisdiction.

(d) There is not in force any extension of time with respect to the due date for the filing of any Tax Return of the Acquired Companies which has not been filed or any waiver or agreement for any extension of time for the assessment or payment of any Tax of the Acquired Companies.

(e) No Acquired Company is a party to or bound by any Tax allocation, sharing or indemnity agreements or arrangement (other than customary Tax allocation or Tax sharing provisions in real property leases and subleases or other commercial contracts not primarily related to Taxes).

(f) None of the property of the Acquired Companies is held in an arrangement that would properly be classified as a partnership for Tax purposes, and no Acquired Company owns any interest in any controlled foreign corporation (as defined in Section 957 of the Code), or passive foreign investment company (as defined in Section 1297 of the Code) or other Entity the income of which is required to be included in the income of any Acquired Company.

(g) No Acquired Company will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) change in method of accounting for a taxable period ending prior to the Closing, including by reason of the application of Section 481 of the Code (or any corresponding or similar provision of state, local, or foreign Tax law), requested or applied for prior to the Closing; (ii) "*closing agreement*" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law) executed prior to the Closing; (iii) intercompany transactions entered into prior to the Closing or any excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law) arising prior to the Closing; (iv) installment sale or open transaction disposition made prior to the Closing; or (v) prepaid amount received prior to the Closing.

(h) No Acquired Company has any liability for the Taxes of any Person under Treasury Regulations Section 1.1502-6 (or any corresponding provisions of state, local or foreign Tax law), or as a transferee or successor, or by contract or otherwise (other than customary Tax allocation or Tax sharing provisions in real property leases and subleases or other commercial contracts not primarily related to Taxes). No Acquired Company is or has ever been, a member of an affiliated, consolidated, combined or unitary group filing for federal or state income tax purposes, other than a group the common parent of which was and is the Company.

(i) No Acquired Company has entered into any Contract or arrangement with any Taxing Authority that requires any Acquired Company to take any action or to refrain from taking any action. No Acquired Company is party to any Contract with any Taxing Authority that would be terminated or adversely affected as a result of the transactions contemplated by this Agreement.

(j) No Acquired Company has participated, within the meaning of Treasury Regulations Section 1.6011-4(c), in (i) any "*reportable transaction*" within the meaning of Section 6011 of the Code and the Treasury Regulations thereunder; (ii) any "*tax shelter*" or "*confidential corporate tax shelter*" within the meaning of Section 6111 of the Code and the

Treasury Regulations thereunder; or (iii) any "*potentially abusive tax shelter*" within the meaning of Section 6112 of the Code and the Treasury Regulations thereunder. Each Acquired Company has disclosed on its Tax Returns all positions taken therein that could give rise to a substantial understatement of Tax within the meaning of Section 6662 of the Code (or any similar provision of state, local or foreign law).

(k) There is no material unclaimed or abandoned property or obligation of any Acquired Company, including uncashed checks to vendors, customers, or employees, non-refunded overpayments or unclaimed subscription balances, that is escheatable as of the Closing Date to any state or municipality under any applicable escheatment laws.

(l) No Acquired Company is subject to Tax in any jurisdiction, other than the country in which it is organized, by virtue of having a permanent establishment or other office or fixed place of business.

(m) No Acquired Company is a "United States real property holding corporation" as defined in Section 897(c)(2) of the Code.

(n) No Acquired Company has made any payments, no Acquired Company is obligated to make any payments, and no Acquired Company is a party to any plan or Contract that under certain circumstances could obligate it to make any payments that would not be deductible under Section 280G of the Code (determined without regard to the exceptions contained in Sections 280G(b)(4) and 280G(b)(6)) or Section 404 of the Code.

(o) Since the date of the Interim Financial Statements, the Acquired Companies have not incurred any liability for Taxes arising from transactions outside the ordinary course of business.

(p) No Acquired Company has constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock intended to qualify for tax-free treatment under Section 355 of the Code (i) in the two years prior to the date of this Agreement or (ii) in a distribution that could otherwise constitute part of a "plan" or "series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the transactions contemplated by this Agreement.

(q) No power of attorney that is currently in force has been granted with respect to any matter relating to Taxes that could affect any Acquired Company.

(r) With respect to all sales Taxes ever collected by any Acquired Company: (i) in states where any Acquired Company is registered for sales Tax purposes, each Acquired Company has properly remitted all sales Taxes collected in such states to the applicable state Governmental Entity; and (ii) in states where no Acquired Company is registered for sales Tax purposes, each Acquired Company has returned all sales Taxes collected from Persons located in such state to such Person (or, if such Person cannot be located or is no longer in business, has remitted such sales Taxes to the unclaimed property office of such state). No Acquired Company holds any amounts collected as sales Taxes from any Person.

(s) No Acquired Company has made an election under Section 108(i) of the Code to defer the recognition of any cancellation of indebtedness income.

2.9 Title to Property and Assets.

(a) Personal Property. Each Acquired Company has good and marketable title to, or valid leasehold interests in, all tangible Personal Property used or held for use in its business or reflected in the Financial Statements. Such tangible Personal Property constitutes all tangible Personal Property necessary to conduct each of the businesses of the Acquired Companies as they are presently conducted. None of such tangible Personal Property is owned by any other Person, including a Securityholder or an Affiliate of a Securityholder, without a valid and enforceable right of the Acquired Companies to use and possess such tangible Personal Property, which right shall remain valid and enforceable following the Effective Time. None of such tangible properties or assets is subject to any Lien (other than Permitted Liens). The tangible Personal Property: (i) is in good operating condition and repair (ordinary wear and tear excepted) and is adequate for the conduct of each of the Acquired Companies' respective businesses as they are presently conducted; (ii) is available for immediate use in the business and operation of the Acquired Companies as currently conducted; and (iii) permits each Acquired Company to operate in accordance with applicable Legal Requirements. Section 2.9(a) of the Disclosure Schedule identifies, as of the Agreement Date, all assets that are material to the business of any of the Acquired Companies and that are being leased to any of the Acquired Companies.

(b) Customer Information. The Company has sole and exclusive ownership of, free and clear of any Liens (other than Permitted Liens), or the valid right to use, in the business of the Acquired Companies as they are currently conducted, all (i) customer lists, customer contact information, customer correspondence and customer licensing and purchasing histories relating to current and former customers of the Acquired Companies for which it has retained records and (ii) subscriber and member information collected, processed or stored by any of the Acquired Companies in the provision of Company Products, including all user geospatial data. No Person other than an Acquired Company possesses any licenses, claims or rights with respect to the use of any such customer, subscriber and member information owned by the Acquired Companies.

(c) Leased Real Property. No Acquired Company owns any real property, nor has any Acquired Company ever owned any real property. Section 2.9(c) of the Disclosure Schedule sets forth, as of the Agreement Date, a list of all real property currently leased by each Acquired Company or otherwise used or occupied by each Acquired Company for the operation of its business (the "Leased Real Property"). To the Knowledge of the Company, the Leased Real Property (i) is in good operating condition and repair and (ii) is available for use in the business and operation of the Acquired Companies as currently conducted.

2.10 Bank Accounts. Section 2.10 of the Disclosure Schedule provides the following information with respect to each account maintained by or for the benefit of each Acquired Company at any bank or other financial institution: (a) the name of the bank or other financial institution at which such account is maintained; (b) the account number; (c) the type of account;

and (d) the names of all Persons who are authorized to sign checks or other documents with respect to such account.

2.11 Intellectual Property and Related Matters.

(a) Section 2.11(a) of the Disclosure Schedule lists, as of the Agreement Date, (i) all of the registered Trademarks, registered Copyrights, issued Patents and domain name registrations, and applications for any of the foregoing, in each case that are owned (in whole or in part) by any Acquired Company, including, where applicable, an identification of the serial number, registration number or other unique identifier, filing date, grant date or registration date and the relevant jurisdiction (all such Trademarks, Copyrights, Patents and domain names, are hereinafter collectively referred to as the "Company Registered Intellectual Property") and social media profiles of the Acquired Companies, and (ii) any pending or threatened proceedings or actions (including interference, opposition, cancellation, re-examination or post grant review proceedings and nullity proceedings) before any Governmental Entity (including the United States Patent and Trademark Office or equivalent authority anywhere in the world) in which any of the Company Registered Intellectual Property is involved. For all Company Registered Intellectual Property, the Disclosure Schedule identifies the record owner and, if different, the current owner of each item of Company Registered Intellectual Property.

(b) The Acquired Companies collectively exclusively own all Company Registered Intellectual Property free and clear of any licenses or rights granted to or held by any other Person or Governmental Entity and any other Liens (other than non-exclusive licenses granted to end users of the Company Products and Company Services in the ordinary course of business). "Company Owned Intellectual Property" means the Company Registered Intellectual Property and all other Intellectual Property that the Acquired Companies own or that the Acquired Companies purport to own or as to which any Acquired Company has been granted an exclusive license.

(c) The Acquired Companies collectively own or have the valid and enforceable right to use, practice and exploit all of the Intellectual Property used in the businesses of the Acquired Companies as currently conducted ("Company Intellectual Property"). The consummation of the transactions contemplated by this Agreement will not terminate or otherwise affect any Acquired Company's ownership of or rights to any Company Intellectual Property, and will not result in any licenses or Liens being granted under or imposed on any Company Owned Intellectual Property.

(d) All Company Owned Intellectual Property that the Acquired Companies own or that the Acquired Companies purport to own was: (i) developed by the Acquired Company's employees who have executed appropriate instruments of assignment in favor of the Acquired Company as assignee to convey to the Acquired Company ownership of all Intellectual Property rights that they created or reduced to practice within the scope of their employment at the time of such development; (ii) developed by agents, consultants, contractors or other Persons who have executed appropriate instruments of assignment in favor of the Acquired Company as assignee that have conveyed to the Acquired Company ownership of all of their Intellectual Property rights in such Intellectual Property; or (iii) acquired by the Acquired Company in connection with acquisitions in which the Acquired Company obtained appropriate

representations, warranties and indemnities from the transferring Person relating to the title to Intellectual Property rights in such Intellectual Property. None of the Acquired Companies has any obligation to make a royalty payment or license fee to any such Company employee, agent, consultant, contractor or other Person. All inventor assignments with respect to non-provisional Patent applications included in the Company Registered Intellectual Property have been properly recorded with the U.S. Patent and Trademark Office.

(e) The Company Registered Intellectual Property (other than pending applications) is subsisting and, to the Company's Knowledge, valid and enforceable in each applicable jurisdiction. None of the Company Owned Intellectual Property that the Acquired Companies own or that the Acquired Companies purport to own (and to the Company's Knowledge no other Company Owned Intellectual Property) has entered the public domain, except where information lost its Trade Secret or confidential status through the publication of patent applications as set forth in Section 2.11(a) of the Disclosure Schedules and where the Company has, exercising its reasonable business judgment, elected to make disclosures on a non-confidential basis.

(f) Except as set forth in Section 2.11(f) of the Disclosure Schedules, as of the Agreement Date, there are no Legal Proceedings: (i) pending against any Acquired Company alleging that (A) any Acquired Company is infringing, misappropriating, diluting or otherwise violating any Intellectual Property of another Person, or (B) any of the Company Products or Company Services or conduct of any Acquired Company infringes any Intellectual Property of another Person or contains, utilizes, or is based upon or derived from any Intellectual Property misappropriated from another Person, (ii) with respect to which any Acquired Company has received written notice of an obligation or duty to defend, indemnify or hold harmless any other Person with respect to, or any Acquired Company has expressly assumed any Liability for, any claim of infringement, misappropriation, dilution or violation of Intellectual Property; or (iii) pending against any Acquired Company or Company Owned Intellectual Property that seek to limit or challenge the validity, enforceability, ownership or use of any Company Intellectual Property (other than in the ordinary course of prosecution of pending applications for Company Registered Intellectual Property). Except as set forth in Section 2.11(f) of the Disclosure Schedules, as of the Agreement Date, no Acquired Company has received any claim, "cease and desist" letter, or like correspondence or any written or oral threat from any Person: (x) alleging that (1) any Acquired Company is infringing, misappropriating, diluting or otherwise violating any Intellectual Property of any Person or (2) any of the Company Products or Company Services or conduct of any Acquired Company infringes any Intellectual Property of another Person or contains any Intellectual Property misappropriated from another Person; (y) that contests or challenges the validity, enforceability, ownership or use of the Company Intellectual Property (other than notice received in the ordinary course of examination of pending applications for Company Registered Intellectual Property); or (z) invites any Acquired Company to take a license under any Intellectual Property or consider the applicability of Intellectual Property to Company Products or conduct of any Acquired Company. The Acquired Companies have made reasonable and good faith efforts to satisfy all obligations to disclose prior art to, and avoid inequitable conduct before, any Governmental Entity with respect to the Company Registered Intellectual Property.

(g) (i) No Acquired Company has infringed, misappropriated, diluted or otherwise violated the Intellectual Property of any Person (ii) none of the Company Products or Company Services infringes (or would infringe, if made, sold, reproduced, performed, or distributed in any jurisdiction) any Person's Intellectual Property or (iii) contains, is based upon or derived from, or was developed with the use of Intellectual Property misappropriated from any Person. The development, manufacture, distribution, use, and sale of the Company Products and the performance of the Company Services after the Closing, in substantially the same manner as prior to the Closing, will not infringe, misappropriate, dilute or otherwise violate the Intellectual Property of any Person; provided, however, no representation or warranty is made with respect to infringement, misappropriation, dilution or other violation of Intellectual Property not used in the manufacture, distribution, use, and sale of the Company Products, or the performance of the Company Services, on or prior to the Closing.

(h) To the Knowledge of the Company, no Person is engaging or has engaged in any activity that infringes upon, misappropriates, dilutes, or otherwise violates any Intellectual Property owned by or exclusively licensed to any Acquired Company.

(i) Each Acquired Company takes and has taken reasonable actions to protect, preserve and maintain the confidentiality of all source code, material confidential information and other material Trade Secrets owned by or licensed to any Acquired Company. All currently due maintenance fees for issued Patents or renewal fees for registered Trademarks of the Acquired Companies have been paid before the relevant deadlines and all necessary documents and certificates in connection with such Intellectual Property have been filed with the relevant patent, trademark or other authorities in the United States or foreign jurisdictions, as the case may be, for the purposes of maintaining such Intellectual Property. The Acquired Companies have not filed any provisional Patent applications that are not listed on Schedule 2.11(a). The Acquired Companies have paid all fees and made all required filings with Internet domain name registrars as required to maintain their domain names.

(j) All employees, contractors and agents of any Acquired Company who are or were involved in, or who have participated in or contributed to, the conception, development, authoring, creation, or reduction to practice of any Company Owned Intellectual Property that the Acquired Companies own or that the Acquired Companies purport to own for any Acquired Company have executed valid and enforceable agreements that assign all right, title and interest in such Intellectual Property to an Acquired Company, to the extent permissible under Applicable Law and valid and enforceable agreements that protect the confidentiality of all Trade Secrets of the Acquired Companies.

(k) No funding, facilities or resources of any Governmental Entity or any university, college or other educational institution or research center were used in the development of the Company Owned Intellectual Property that the Acquired Companies own or that the Acquired Companies purport to own (and to the Company's Knowledge with respect to other Company Owned Intellectual Property). No Governmental Entity, university, college, or other educational institution or research center has any ownership in or rights to any Company Owned Intellectual Property that the Acquired Companies own or that the Acquired Companies purport to own (to the Company's Knowledge with respect to other Company Owned Intellectual Property) or data owned or purported to be owned by an Acquired Company or residing on

Computer Systems owned by any Acquired Company. None of the Acquired Companies has participated in any standards-setting process or has made or undertaken any commitment or obligation to license, or offer to license, any Intellectual Property as a result of or in connection with its participation any standards-setting or other similar organization. No Company Owned Intellectual Property that the Acquired Companies own or that the Acquired Companies purport to own (and to the Company's Knowledge with respect to other Company Owned Intellectual Property) is subject to any membership agreements, bylaws, practices or policies, including intellectual property rights policies, or any standards-setting or similar organization, nor has it been declared essential to any standard.

(l) Section 2.11(l) of the Disclosure Schedule lists all Software code that is owned by any Person other than an Acquired Company and incorporated into the Company Products (listed generally by product name and version, and not specifically by file name or otherwise) and the Contract under which such Software code is licensed to the Acquired Companies, other than Open Source Software listed in Section 2.11(n) of the Disclosure Schedule, and all ongoing or future obligations of any Acquired Company to pay royalties, commissions, or similar fees upon the sale, licensing, performance, or other distribution of any Company Product or Company Service.

(m) The Acquired Companies collectively own, lease or license all Computer Systems that are necessary for the operations of their respective businesses. The Computer Systems of the Acquired Companies are reasonably sufficient for the needs of the respective businesses of the Acquired Companies as currently conducted, including as to capacity, scalability and ability to process current and anticipated peak volumes in a timely manner. Since the date that is three years prior to the date of this Agreement, there has been no failure or other material substandard performance of any Computer Systems currently owned or otherwise used by any Acquired Company which has caused any material disruption to the business of the Acquired Companies. Each Acquired Company has taken commercially reasonable steps to provide for the back-up and recovery of data and information, has commercially reasonable disaster recovery and business continuity plans, procedures and facilities, and, as applicable, has taken commercially reasonable steps to implement such plans and procedures. Each Acquired Company has taken reasonable actions to protect the Computer Systems from becoming infected by viruses and other malicious code and to protect the integrity and security of its Computer Systems and the Software and other information stored thereon from unauthorized use, access, or modification by third parties. None of the Computer Systems of any Acquired Company (to the Company's Knowledge with respect to Computer Systems not owned by an Acquired Company), or Company Products, contains, and since the date that is three years prior to the date of this Agreement no Acquired Company has suffered any material data loss, business interruption, or other harm as a result of, any "back door," "time bomb," "Trojan horse," "worm," "drop dead device," "virus" (as these terms are commonly used in the computer software industry), or other software routines or hardware components intentionally designed to permit (i) unauthorized access to a computer or network, (ii) unauthorized disablement or erasure of software, hardware or data, or (iii) any other similar type of unauthorized activities. Except as set forth in Section 2.11(m) of the Disclosure Schedule, to the Company's Knowledge, there have not been any unauthorized intrusions or breaches of the security of any of the Computer Systems of the Acquired Companies or any unauthorized access or use of any of the data or information stored or contained therein or accessed or processed thereby or that has resulted in

the destruction, damage, loss, corruption, alteration or misuse of any such data or information. None of the Company Products or Company Services (A) constitutes, contains or is considered "spyware" or "trackware" as those terms are commonly used in the computer software industry, (B) records a user's input, browsing history, or other similar actions without a user's knowledge, or (C) employs a user's Internet connection without a user's knowledge to gather or transmit information on such user or such user's behavior.

(n) Each Company Product and Company Service was developed entirely by or for, and is owned by, the Acquired Companies or has been rightfully obtained by the Acquired Companies and is owned by, validly licensed to or rightfully used by the Acquired Companies. Section 2.11(n) of the Disclosure Schedule identifies all Software programs that have been developed by or for the Acquired Companies for use in the businesses of the Acquired Companies as currently conducted and as proposed to be conducted. Section 2.11(n) of the Disclosure Schedule further sets forth a true, complete and correct list of all Open Source Software that has been used in, incorporated into, integrated or bundled with the Company Products or any other proprietary code of any Acquired Company that has been distributed, sold, or licensed or otherwise provided (including all Software currently supported and maintained) by or on behalf of any Acquired Company to another Person for their use. None of the Acquired Companies has (i) incorporated any Open Source Software into, or combined Open Source Software with, the Company Products, or other proprietary code of any Acquired Company; (ii) distributed Open Source Software in conjunction with any other Software developed, distributed or otherwise provided by such Acquired Company; or (iii) used Open Source Software, in each case set forth in clauses (i), (ii) and (iii) above, in a manner that creates, or purports to create, obligations for such Acquired Company with respect to its proprietary code within the Company Products or grants, or purports to grant, to any Person, any rights or immunities under Intellectual Property rights in its proprietary code in the Company Products (including using any Open Source Software that requires, as a condition of exploitation of such Open Source Software, that its proprietary code within the Company Products be (x) disclosed or distributed in source code form, (y) licensed for the purpose of making derivative works, or (z) redistributable at no charge or minimal charge), or otherwise imposes any limitation, restriction, or condition on such Acquired Company with respect to the proprietary code within the Company Products.

(o) Section 2.11(o) of the Disclosure Schedule sets forth a complete and accurate list of: (i) each Person (other than employees, consultants and service providers of the Acquired Companies) that has a copy of the source code for any Software that is proprietary to an Acquired Company and used in the Company Products, or for the provision of the Company Services, other than with respect to Open Source Software identified in Section 2.11(n) of the Disclosure Schedule; and (ii) any Contract (including any source code escrow agreement) governing such Person's possession of such source code, and the Company has delivered complete and accurate copies of all such Contracts to Parent. All of such Persons have executed valid and enforceable agreements with an Acquired Company that require such Person to maintain the confidentiality of such source code, and none of these agreements, to the Knowledge of the Company, has been breached. No Person has claimed or demanded that any such source code which is held in escrow be delivered or released by the escrow agent, and no such source code which is held in escrow has ever been delivered or released by the escrow agent to any Person other than an Acquired Company.

(p) No Software that is, is part of, or used in the provision of any Company Software or (to the Company's Knowledge) is otherwise used to develop, maintain, or provide any Company Product or Company Service contains any material "bug," defect, or error (including any unresolved "bug", defect, or error that has been or should have been classified by any Acquired Company or any other Person as being within the highest or second-highest severity level for purposes of the warranty or support services offered or provided by the Acquired Companies) or materially fails to provide or perform any of the features or functions described or identified in, or otherwise fails to conform in any material respect to, its documentation or specifications.

(q) No current or former partner, director, officer, or employee of any Acquired Company will, after giving effect to each of the transactions contemplated by this Agreement, own or retain any rights in or to, or have the right to receive any royalty or other payment with respect to, any of the Intellectual Property used or owned by any Acquired Company.

(r) Each Acquired Company has complied with all Company Contracts, privacy policies and applicable Legal Requirements regarding Personal Data and personally identifiable information, including all Privacy Legal Requirements and agreements with third parties, in every jurisdiction where any Acquired Company operates its business. As of the Agreement Date, to the Company's Knowledge, each subcontractor or agent of such Acquired Company has complied with all Company Contracts, privacy policies and applicable Legal Requirements regarding Personal Data and personally identifiable information, including all Privacy Legal Requirements and agreements with third parties, in every jurisdiction where any Acquired Company operates its business. As of the Agreement Date, no customer of any Acquired Company has made any claim, or otherwise asserted, to any Acquired Company in writing or to the Company's Knowledge that any Acquired Company or any subcontractor or agent of such Acquired Company has breached any confidentiality or security obligation, violated any privacy policies, failed to fulfill obligations under any Company Contract relating to data security or privacy, misappropriated any information or violated any Privacy Legal Requirement. Except as set forth in Section 2.11(r) of the Disclosure Schedule, none of the Acquired Companies has received any written inquiries from or been subject to any audit or other Legal Proceeding by any Governmental Entity, regarding compliance with its privacy policy or any Privacy Legal Requirement. Each Acquired Company and each subcontractor and agent of such Acquired Company has established and is in compliance with: (i) commercially reasonable security programs designed to protect (A) the integrity, security and confidentiality of information processed and transactions executed through Computer Systems, and (B) the integrity, security and confidentiality of all confidential or proprietary data and Personal Data in its possession; and (ii) commercially reasonable security policies and privacy policies that comply with all applicable Legal Requirements. Except as set forth in Section 2.11(r) of the Disclosure Schedule, no Acquired Company nor any subcontractor or agent of such Acquired Company has (i) to the Company's Knowledge, suffered a security incident or breach with respect to its data or Computer Systems any part of which occurred since the date that is three years prior to the date of this Agreement or (ii) been required pursuant to any Privacy Legal Requirements to notify customers, consumers or employees of any information security incident or breach related to the Personal Data of such customers, consumers or employees. The Company has delivered to Parent all non-privileged written information relating to all Legal

Proceedings relating to Intellectual Property from any Government Entity, including all subpoenas, responses, communications, notices, reports, and audits relating to all formal and informal inquiries and investigations by any Government Entity. The Company has delivered to the Parent all non-privileged written communications between the Company and another Person relating to all security incidents or breaches affecting any Acquired Company, including, notices, reports, and audits prepared by or for the Company relating to any such security incident or breach.

(s) Section 2.11(s) of the Disclosure Schedule lists each Company Contract (other than Customer Contracts, Channel Contracts, Consultant IP Contracts, and Employee IP Contracts) involving a license to, a covenant not to assert claims of infringement or misappropriation relating to, the payment of a royalty or other fee for, or a Consent or other similar agreement regarding the grant or transfer of any rights or interests in, or the creation or development of, any Intellectual Property, including agreements involving licensing of Intellectual Property or Software to another Person and agreements involving third-party Intellectual Property or Software licensed to any Acquired Company (other than those license agreements relating to commercially available off-the-shelf third-party software entered into by an Acquired Company in the ordinary course of business for third-party software that is not used in or otherwise incorporated into or distributed with any Company Product, in which the aggregate annual fees, including hosting fees, maintenance and support fees, and other services fees as well as license fees and royalty fees, paid by the Acquired Companies do not exceed $25,000 individually). No third party that has licensed Intellectual Property to any Acquired Company has ownership, license or other rights to improvements or derivative works made by any Acquired Company for such licensed Intellectual Property. To the Knowledge of the Company, as of the Agreement Date, there are no Material Contracts with respect to Company Intellectual Property or any other Intellectual Property used in or necessary to the conduct of the business of any Acquired Company as it is currently conducted or planned to be conducted under which there is any dispute or pending or threatened claim (whether or not such claim is disputed) regarding the scope of any provision in such Material Contract or the performance under such Material Contract by any party thereto, including with respect to any payments to be made or received by any Acquired Company thereunder. Each Acquired Company is in compliance in all material respects with the terms and conditions of all Company Contracts licensing any of the Material Intellectual Property to any Person and all Company Contracts licensing the Intellectual Property of any Person to such Acquired Company.

(t) Neither the execution, delivery or performance of this Agreement or any other agreements referred to in this Agreement nor the consummation of any of the transactions or any such agreement contemplated by this Agreement will result in any violation of any Acquired Company's privacy policy or any Privacy Legal Requirement.

2.12 Compliance; Permits.

(a) Compliance. No Acquired Company has failed in any material respect to comply with or has violated in any material respect any applicable Legal Requirement. Except as set forth in Section 2.12(a) of the Disclosure Schedule, as of the Agreement Date, no investigation or review by any Governmental Entity is pending or, to the Knowledge of the Company, has been threatened, against any Acquired Company. No event has occurred, and no

condition or circumstance exists, that will (with or without notice or lapse of time) constitute or result in a material violation by the any of the Acquired Companies of, or a failure on the part of any of the Acquired Companies to comply in any material respect with, any applicable Legal Requirement. Except as set forth in Section 2.12(a), as of the Agreement Date, none of the Acquired Companies has received any written notice or other written communication from any Person regarding any actual or possible violation of, or failure to comply with, any applicable Legal Requirement.

(b) Orders. There is no Order binding upon any Acquired Company or to which any assets owned or used by any Acquired Company is subject. To the Knowledge of the Company, no officer or other employee of any of the Acquired Companies is subject to any Order that prohibits such officer or other employee from engaging in or continuing any conduct, activity or practice relating to the respective Acquired Company's business.

(c) Permits. Each Acquired Company holds, to the extent required by applicable Legal Requirements, all Permits from, and has made all declarations and filings with, all Governmental Entities that are required for the operation of its business as presently conducted. No suspension or cancellation of any such Permit is pending or, to the Knowledge of the Company, threatened, each such Permit is valid and in full force and effect, and each Acquired Company is and always has been in compliance with the terms of such Permits. Section 2.12(c) of the Disclosure Schedule provides an accurate and complete list, as of the Agreement Date, of all Permits held by each Acquired Company, and the Company has delivered to Parent accurate and complete copies of each such Permit. Since January 1, 2011, no Acquired Company has received any written notice or other written communication from any Governmental Entity regarding: (i) any actual or possible violation of or failure to comply with any term or requirement of any Permit; or (ii) any actual or possible revocation, withdrawal, suspension, cancellation, termination or modification of any Permit.

(d) No Subsidies. None of the Acquired Companies possesses (or has ever possessed) or has any rights or interests with respect to (or has ever had any rights or interests with respect to) any grants, incentives or subsidies from any Governmental Entity.

(e) Foreign Corrupt Practices and Anti-Bribery. No Acquired Company, nor any Representative of any Acquired Company with respect to any matter relating to any Acquired Company, has: (i) used any funds for unlawful contributions, loans, donations, gifts, entertainment or other unlawful expenses relating to political activity; (ii) made or agreed to make any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns; (iii) taken any action that would constitute a violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §§ 78dd 1 *et seq*. or its equivalent in any jurisdiction where any Acquired Company conducts business, if the Acquired Companies were subject thereto; or (iv) made or agreed to make any other unlawful payment.

(f) OFAC. No Acquired Company nor any Representative of any Acquired Company has engaged in any violation of any economic sanctions measure (including regulation or executive order) administered or enforced by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC Sanctions Measure"). No Acquired Company nor any

Representative of any Acquired Company has participated in any transaction in which there is an interest of any person who is the subject of an OFAC Sanctions Measure ("Sanctioned Person"). Sanctioned Persons shall include, without limitation, the following, but only to the extent that United States Persons are prohibited from transacting with such Persons: (i) a Person on the U.S. Department of the Treasury List of Specially Designated Nationals and Blocked Persons and Persons who own 50% or more of the stock of an entity on such list, (ii) a government that is the subject of OFAC Sanctions Measures, (iii) an entity that is organized under the Laws of a country that is the subject of OFAC Sanctions Measures or operates in such country or (iv) an individual who is a citizen or resident of, or located in, a country that is the subject of OFAC Sanctions Measures.

2.13 Brokers' and Finders' Fees. Other than amounts payable to Qatalyst Partners LLC, no Acquired Company has incurred, nor will any Acquired Company incur, directly or indirectly, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or any other Company Transaction Document or any transaction contemplated hereby or thereby. Section 2.13 of the Disclosure Schedule identifies each Person that is or may become entitled to receive any fee or other amount from any of the Acquired Companies for professional services performed or to be performed in connection with the Merger or any of the other transactions contemplated by this Agreement.

2.14 Restrictions on Business Activities. There is no Company Contract under which any Acquired Company is or is reasonably likely to become, or under which Parent or any Affiliate of Parent will or is reasonably likely to be after the Effective Time (other than as result of interaction with any Contract or Order to which Parent or any Affiliate of Parent is subject), subject to any restrictions or purported restrictions on selling, licensing or otherwise distributing any of its technology or products or on providing services to customers or potential customers or any class of customers, in any geographic area, during any period of time or in any segment of any market.

2.15 Employment Matters.

(a) Employee List. Section 2.15(a) of the Disclosure Schedule contains a complete and accurate list of all Company Employees as of the date of this Agreement, and correctly reflects each employee's: (i) date of hire; (ii) position; (iii) annual salary or hourly rate (if non-exempt); (iv) principal place of employment; (v) actual incentive compensation for 2014 (commission and/or bonus, as applicable); (vi) target incentive compensation for 2015 (commission and/or bonus, as applicable); (vii) any other compensation payable to him or her (including housing or car allowance, deferred compensation or other compensation); (viii) status as exempt or non-exempt under the Fair Labor Standards Act and other applicable Legal Requirements; (ix) leave status, as applicable (including type of leave and expected return date, if known); (x) visa type, as applicable; and (xi) each Company Benefit Plan (as defined in Section 2.16(a)) in which the employee participates or is eligible to participate. The employment of each of the Company Employees is terminable by the Acquired Companies at will. The Company has delivered to Parent accurate and complete copies of all employment Contracts, restrictive covenant agreements, invention assignment agreements, employee manuals and handbooks, disclosure materials, policy statements and other materials relating to the employment of the Company Employees.

(b) No Termination. Except as set forth on Section 2.15(b) of the Disclosure Schedule, no executive officer or other key employee of any Acquired Company has provided notice of or, to the Knowledge of the Company, expressed his or her intention to terminate employment with any Acquired Company.

(c) Employee Claims. As of the Agreement Date, no Person has claimed or to the Knowledge of the Company, would be reasonably expected to have reason to claim that any Company Employee or other Person affiliated with any Acquired Company: (i) is in violation of any term of any employment Contract, patent disclosure agreement, noncompetition agreement or any restrictive covenant with such Person; (ii) has disclosed or utilized any Trade Secret or proprietary information or documentation of such Person; or (iii) has interfered in the employment relationship between such Person and any of its present or former employees. To the Knowledge of the Company, no Company Employee or other Person affiliated with any Acquired Company has used or proposed to use any Trade Secret, information or documentation proprietary to any former employer or violated any confidential relationship with any Person in connection with the development, manufacture or sale of any product or proposed product, or the development or sale of any service or proposed service, of any Acquired Company.

(d) Labor Unions. None of the employees of any Acquired Company is represented by a labor union, and no Acquired Company is subject to any collective bargaining or similar agreement with respect to any of its employees. There has not been and there currently is no labor dispute, strike, work stoppage, attempt to organize with regard to any Acquired Company's employees or other labor trouble pending or, to the Knowledge of the Company, threatened against any Acquired Company. No Acquired Company has agreed to recognize any labor union or other collective bargaining representative, nor has any labor union or other collective bargaining representative been certified as the exclusive bargaining representative of any employees of any Acquired Company. There is no challenge regarding representation as to any labor union or other collective bargaining representative with respect to any employees of any Acquired Company, and no labor union or other collective bargaining representative claims to or is seeking to represent any employees of any Acquired Company. No Acquired Company has entered into any Contract with any labor union or other collective bargaining representative, or any number or category of employees that would prevent, restrict or impede the implementation of any lay off, redundancy, severance or similar program within its or their respective workforces (or any part of them).

(e) Legal Compliance. No Acquired Company nor, to the Knowledge of the Company, any employee or representative of an Acquired Company, has committed or engaged in any unfair labor practice in connection with the conduct of the business of the Acquired Companies. As of the Agreement Date, there is no action, suit, claim, charge, complaint, audit or investigation against any Acquired Company pending or, to the Knowledge of the Company, threatened or reasonably anticipated relating to any labor, safety, discrimination, immigration or wage and hour matters involving any Company Employee, including charges of unfair labor practices or discrimination complaints. Each Acquired Company is and has always been in compliance with all applicable Legal Requirements relating to employment, including laws relating to employment discrimination, labor relations, fair employment practices, payment of wages and overtime, meal and break periods, leaves of absence, immigration, employee benefits,

and affirmative action. All current Company Employees are lawfully authorized to work in the jurisdiction in which they are employed according to applicable immigration laws.

(f) WARN Act, Notice and Consultation. No Acquired Company has had any plant closings, mass layoffs or other actions affecting Company Employees that would create any obligations upon or Liabilities for any Acquired Company or Parent or any of Parent's Affiliates under the Worker Adjustment and Retraining Notification Act or similar laws. Neither any Acquired Company nor Parent or any of its Affiliates have any obligation under applicable Legal Requirements or otherwise to notify or consult with, prior to the Effective Time, any Company Employee, Governmental Entity or any other Person with respect to the impact of the transactions contemplated by this Agreement on the employment of the Company Employees or the compensation or benefits provided to the Company Employees. No Acquired Company is a party to any Contracts or arrangements or is subject to any requirement that in any manner restrict any Acquired Company from relocating, consolidating, merging or closing, in whole or in part, any portion of the business of the Acquired Companies, subject to applicable Legal Requirements.

2.16 Employee Benefit Plans.

(a) Section 2.16(a) of the Disclosure Schedule lists each Employee Benefit Plan that any Acquired Company or any ERISA Affiliate sponsors or maintains or to which any Acquired Company or any ERISA Affiliate contributes, or is a participating employer and in which any Company Employee participates or is owed benefits or for which an obligation by or Liability of any Acquired Company or any ERISA Affiliate currently exists (collectively, the "Company Benefit Plans"). Except as provided on Section 2.16(a) of the Disclosure Schedules, no Company Benefit Plan provides compensation or benefits exclusively or primarily to non-U.S. Employees. With respect to each Company Benefit Plan, the Company has delivered to Parent accurate and complete copies of (i) all plan documents and any amendments thereto (or in the event the Company Benefit Plan is not written, a written description thereof) and summary plan descriptions, (ii) the most recent determination letter (or opinion letter) received from the Internal Revenue Service, (iii) copies of the three most recently filed annual reports (Form 5500 Annual Reports and all schedules and financial statements attached thereto), (iv) all related trust agreements, insurance contracts and other funding vehicles associated with such Company Benefit Plan, as applicable, (v) all material written correspondence to or from the Internal Revenue Service, the United States Department of Labor, the Pension Benefit Guaranty Corporation or any other Governmental Entity received by the Company or any ERISA Affiliate in the last three years with respect to any Company Benefit Plan, and (vi) the most recently prepared annual valuation.

(b) With respect to each Company Benefit Plan (and each related trust, insurance contract or fund), no event has occurred and there exists no condition or set of circumstances to which any Acquired Company or any ERISA Affiliate would be subject to any Liability under ERISA, the Code or any other applicable Legal Requirement (other than the Liability to make contributions or pay premiums and benefits when due).

(c) Each Company Benefit Plan (and each related trust, insurance contract or fund) has been administered and operated in accordance with the terms of the applicable

controlling documents and with the applicable provisions of ERISA, the Code and all other applicable Legal Requirements.

(d) All required reports, descriptions and disclosures have been filed or distributed appropriately and in accordance with the applicable provisions of ERISA, the Code and applicable Legal Requirements with respect to each Company Benefit Plan. The requirements of Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the Code, and the Health Insurance Portability and Accountability Act of 1996 have been met in all material respects with respect to each Company Benefit Plan that is a group health plan subject to such requirements.

(e) All contributions (including all employer contributions and employee salary reduction contributions) that are due and owing have been fully and timely paid to each Company Benefit Plan (or related trust or held in the general assets of the Acquired Companies and accrued, as appropriate), and all contributions for any period ending on or before the Closing Date that are not yet due have been paid to each Company Benefit Plan (or related trust) or accrued in accordance with GAAP. All premiums or other payments for all periods ending on or before the Closing Date have been fully and timely paid with respect to each Company Benefit Plan.

(f) Each Company Benefit Plan that is an Employee Pension Benefit Plan and that is intended to meet the requirements of a "*qualified plan*" under Section 401(a) of the Code meets such requirements and has either received or applied for (or has time remaining to apply for) a favorable determination letter (or, in the case of a prototype plan, an opinion letter) from the Internal Revenue Service within the applicable remedial amendment periods, and no such determination letter or opinion letter has been revoked nor has revocation been threatened. No event has occurred, and to the Company's Knowledge, no condition exists, which would reasonably be expected to result in the revocation of any such determination or opinion letter. No Acquired Company or ERISA Affiliate has filed, or is considering filing, an application under the Internal Revenue Service Employee Plans Compliance Resolution System or the United States Department of Labor's Voluntary Fiduciary Correction Program with respect to any Company Benefit Plan.

(g) No Acquired Company nor any ERISA Affiliate contributes to, or has or has had any obligation to contribute to, or has any liability (including withdrawal liability as defined in Section 4201 of ERISA) under or with respect to any (i) Employee Benefit Plan that is subject to Title IV of ERISA or (ii) any Multiemployer Plan as defined in Section 3(37) of ERISA. No Acquired Company has any unfunded liabilities pursuant to any Company Benefit Plan which is an Employee Pension Benefit Plan.

(h) No Acquired Company nor any ERISA Affiliate maintains or contributes to, nor has any Acquired Company or ERISA Affiliate ever maintained or contributed to, any Employee Welfare Benefit Plan providing post-employment or retiree medical, health or life insurance or other welfare type benefits for current or future retired or terminated employees, their spouses or their dependents (other than in accordance with Section 4980B of the Code or other similar state statute of a state of the United States).

(i) No Acquired Company, any ERISA Affiliate or, to the Knowledge of the Company, any employee or Representative of any Acquired Company or any ERISA Affiliate, has made any oral or written representation or commitment with respect to any aspect of any Company Benefit Plan that is not in accordance with the written or otherwise preexisting terms and provisions of such Company Benefit Plan.

(j) As of the Agreement Date, there are no unresolved claims, actions, examinations, proceedings, audits, investigations or disputes under the terms of, or in connection with, any Company Benefit Plan (other than routine undisputed claims for benefits), and no action, legal or otherwise, has been commenced or, to the Knowledge of the Company, threatened with respect to, and there is no basis for, any such claim, action, examination, proceeding, audit, investigation or dispute.

(k) With respect to each Company Benefit Plan:

(i) There have been no "*prohibited transactions*" that would subject any Acquired Company to a Tax, damages or penalty imposed pursuant to Section 4975 of the Code or Section 502(c), (i) or (l) of ERISA.

(ii) No Acquired Company (by way of indemnification, directly or otherwise) has and, to the Knowledge of the Company, no fiduciary has, any Liability for breach of fiduciary duty or any failure to act or comply in connection with the administration or investment of the assets of any such plan.

(iii) No Legal Proceeding with respect to the administration or the investment of the assets of any such plan (other than routine claims for benefits) is pending or, to the Knowledge of the Company, threatened, and there is no basis for any such Legal Proceeding.

(l) Neither the execution and delivery of this Agreement or any other Company Transaction Document nor the consummation of the transactions contemplated hereby or thereby could reasonably be expected to: (i) result in any payment (including severance, retirement, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any Company Employee; (ii) materially increase any compensation or benefits otherwise payable by any Acquired Company; or (iii) result in the acceleration of the time of payment or vesting of any such compensation or benefits.

(m) Except for the Stock Plans, no Company Benefit Plan is funded with or allows for payments, investments or distributions in any employer security of any Acquired Company, including employer securities as defined in Section 407(d)(1) of ERISA, or employer real property as defined in Section 407(d)(2) or ERISA.

(n) No asset of any Acquired Company or any ERISA Affiliate is subject to any Lien under ERISA or the Code.

(o) No Company Benefit Plan and no grants, awards or benefits thereunder are subject to Section 409A(a) or 409A(b) of the Code or, if subject to Section 409A(a) of the

Code, have failed, in form or operation, to meet the requirements of Section 409A(a)(2), Section 409A(a)(3) or Section 409A(a)(4) of the Code.

(p) Section 2.16(p) of the Disclosure Schedule accurately sets forth, with respect to each Person who is an independent contractor of any Acquired Company or has provided services as an independent contractor since January 1, 2013:

(i) the name of such independent contractor and the date as of which such independent contractor was originally engaged by the Acquired Company;

(ii) a description of such independent contractor's performance objectives, services, duties and responsibilities;

(iii) the aggregate dollar amount of the compensation (including all payments or benefits of any type) received by such independent contractor from the Acquired Company with respect to services performed in the 12 month period ending December 31, 2014; and

(iv) the terms of compensation of such independent contractor.

(q) No current or former independent contractor of any Acquired Company could be deemed to be a misclassified employee. No independent contractor is eligible to participate in any Company Benefit Plan. No Acquired Company has ever had any temporary or leased employees that were not treated and accounted for in all respects as employees of such Acquired Company. All persons who have provided services to any Acquired Company as independent contractors have been properly classified as independent contractors, rather than as employees of such Acquired Company, for purposes of all applicable Legal Requirements.

(r) No Company Benefit Plan is a "multiemployer pension plan" (as defined in Sections 3(37) or 4001(a)(3) of ERISA) or a "multiple employer plan" described in Section 413(c) of the Code.

(s) No Company Benefit Plan is or, has been subject to Section 302 or Title IV of ERISA or Section 412 of the Code.

(t) Neither the Acquired Company nor any ERISA Affiliate has any obligation to provide, and no Company Benefit Plan or other agreement provides, any Person with the right to, a gross-up, indemnification, reimbursement or other payment for any excise or additional Taxes, interest or penalties incurred pursuant to Section 4999 or 409A of the Code or due to the failure of any payment to be deductible under Section 280G of the Code.

(u) The Acquired Companies and each Company Benefit Plan that is a "group health plan" as defined in Section 733(a)(1) of ERISA (a "Company Health Plan") (i) is currently in compliance with the Patient Protection and Affordable Care Act, Pub. L. No. 111-148 ("PPACA"), the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152 ("HCERA") and all regulations and guidance issued thereunder (collectively, with PPACA and HCERA, the "Healthcare Reform Laws"), and (ii) has been in compliance with applicable Healthcare Reform Laws since March 23, 2010. No event has occurred and no condition or

circumstance exists, that could reasonably be expected to subject the Acquired Companies or any Company Health Plan to penalties or excise taxes under Sections 4980D, 4980H, or 4980I of the Code or any other provision of the Healthcare Reform Laws.

2.17 Environmental Matters.

(a) Each Acquired Company is and has at all times been in compliance in all material respects with all Environmental Laws, and, as of the Agreement Date, no Legal Proceeding, complaint, demand or notice has been made, given, filed or commenced (or, to the Knowledge of the Company, threatened) by any Person against any Acquired Company alleging any failure to comply with any Environmental Law or seeking contribution towards, or participation in, any remediation of any contamination of any property or thing with Hazardous Materials. Each Acquired Company has obtained, and is and has at all times been in compliance in all material respects with all of the terms and conditions of, all Permits that are required under any Environmental Law and has at all times complied in all material respects with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables that are contained in any applicable Environmental Law. The Company has delivered to Parent accurate and complete copies of all internal and external environmental audits and studies in its possession or control, if any, relating to any Acquired Company or its operations and all correspondence on substantial environmental matters relating to any Acquired Company or its operations.

(b) No circumstance or physical condition exists on or under any property that has been caused by or impacted by the operations or activities of any Acquired Company that would reasonably be expected to give rise to any investigative, remedial or other obligation under any Environmental Law or that could result in any kind of liability to any Person claiming damage to Person or property as a result of such circumstance or physical condition.

(c) All tangible personal properties and equipment used in the business of any Acquired Company are and have always been free of Hazardous Materials, except for any Hazardous Materials in small quantities found in products used by the Company for office or janitorial purposes in compliance with Environmental Law.

(d) The Company has delivered to Parent accurate and complete copies of all internal and external environmental audits and studies in its possession or control, if any, relating to any Acquired Company or its operations and all correspondence on substantial environmental matters relating to any Acquired Company or its operations.

2.18 Material Contracts.

(a) List. Section 2.18(a) of the Disclosure Schedule sets forth, as of the Agreement Date, a list of all Material Contracts, including the names of the parties thereto, the date of each such Material Contract and the date of each amendment thereto.

(b) Enforceability; No Breach. All Material Contracts are in full force and effect. All Material Contracts are valid and enforceable, subject only to the effect, if any, of (i) applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally, and (ii) rules of law governing specific performance, injunctive relief and

other equitable remedies. No Acquired Company is in default under or in breach of a Material Contract. As of the Agreement Date, to the Knowledge of the Company, no other party is in default under or in breach of a Material Contract. No payments or other obligations of any Acquired Company are past due under any Material Contract. No event has occurred, and no circumstance or condition exists, that, with notice, the passage of time or both, would reasonably be expected to: (A) constitute a default under or result in a violation or breach of any of the provisions of any Material Contract; (B) give any Person the right to declare a default or exercise any remedy under any Material Contract; (C) give any Person the right to accelerate the maturity or performance of any Material Contract; or (D) give any Person the right to cancel, terminate or modify any Material Contract or cause the breach of any Material Contract by any Acquired Company. No party to any of the Material Contracts has exercised any termination rights with respect thereto. No Acquired Company has received any notice of a default, alleged failure to perform or any offset or counterclaim with respect to any Company Contract that has not been fully remedied and withdrawn. The consummation of the transactions contemplated by this Agreement or any other Transaction Document will not affect the enforceability against any Person of any Material Contract.

(c) Delivery of Contracts. The Company has delivered to Parent accurate and complete copies of all Material Contracts, including all amendments, terminations and modifications thereof. Section 2.18(c) of the Disclosure Schedule provides, as of the Agreement Date, an accurate and complete description of the material terms of each Material Contract that is not in written form.

(d) Proposed Contracts. Section 2.18(d) of the Disclosure Schedule identifies and provides, as of the Agreement Date, a brief description of each proposed Contract as to which any offer, award, written proposal, term sheet or similar document (that would contain or give rise to binding obligations of any Acquired Company if accepted by the recipient) has been submitted or otherwise transmitted by any Acquired Company.

(e) Reseller Contracts. There is no Company Contract involving a reseller, distributor, sales representative or other Person involved in the marketing, sale or solicitation of orders for any Company Products which, if terminated by an Acquired Company or not renewed, in each case in accordance with the terms of such Company Contract, would result in any Liability, penalty or payment to any Person in excess of such Acquired Company's obligations under the express terms of such Company Contract.

(f) Customer Contracts; Channel Contracts; and Employee IP Contracts. The Company has delivered to Parent accurate and complete copies of all standard form Customer Contracts, Channel Contracts, and Employee IP Contracts used by any Acquired Company or its predecessor as the basis for any Customer Contract, Channel Contract, or Employee IP Contract that is currently in effect.

2.19 Insurance.

(a) Section 2.19(a) of the Disclosure Schedule sets forth, as of the Agreement Date, the following information with respect to each insurance policy (including policies providing property, casualty, directors and officers liability, professional liability insurance,

errors and omissions insurance, or workers' compensation coverage and bond and surety arrangements) to which any Acquired Company has been a party, a named insured or otherwise the beneficiary of coverage at any time during the year ended December 31, 2014: (i) the name, address and telephone number of the agent or broker; (ii) the name of the insurer, the name of the policyholder and the name of each covered insured; (iii) the policy number and the period of coverage; and (iv) the scope and amount of coverage; (v) a description of any retroactive premium adjustments or other loss sharing arrangements; (vi) a list of all premiums paid or returned, by policy for 2014; and (vii) a list of all losses or claims paid, either by the insurers or by any Acquired Company under a self-insurance arrangement, including any recoveries or subrogation recoveries, as well as all pending claims or losses. A copy of each insurance policy, submission and broker or consultant Contract has been made available to Parent. Each of such insurance policies is legal, valid, binding, enforceable and in full force and effect, and will continue to be legal, valid, binding, enforceable and in full force and effect on identical terms immediately following consummation of the transactions contemplated by this Agreement and any other Transaction Document. No Acquired Company is in breach or default under any such insurance policy (including with respect to the payment of premiums or the giving of notices). As of the Agreement Date, to the Knowledge of the Company, no other Person is in breach or default under any such insurance policy (including with respect to the payment of premiums or the giving of notices). To the Knowledge of the Company, no event has occurred and no circumstance or condition exists that, with notice or the lapse of time or both, would constitute such a breach or default under, or permit the termination or modification of, any such insurance policy. To the Knowledge of the Company, as of the Agreement Date, no party to any such insurance policy has repudiated any provision thereof.

(b) There are no self-insurance arrangements affecting any Acquired Company.

2.20 Transactions with Related Parties. No Securityholder, Company Employee or any member of their respective immediate families is indebted to any Acquired Company, nor is any Acquired Company indebted (or committed to make loans or extend or guarantee credit) to any of them. To the actual Knowledge of the Company (without inquiry or investigation), none of such Persons has any direct or indirect ownership interest in: (a) any Person with which any Acquired Company is affiliated or with which any Acquired Company has a business relationship; or (b) any Person that competes with any Acquired Company (other than the ownership of less than 2% of the outstanding publicly traded stock in publicly traded companies that may compete with the Acquired Companies). To the Knowledge of the Company, no officer or director of any Acquired Company, no Securityholder and no member of their respective immediate families, is, directly or indirectly, a party to or otherwise interested in any Company Contract. Notwithstanding anything to the contrary in this Agreement, no disclosure shall be required under this Section 2.20 with respect to any portfolio company of a venture capital, private equity or angel investor in any Acquired Company or any of their Affiliates that has a business relationship with any Acquired Company that is on arm's length terms.

2.21 Books and Records. The minute books of each Acquired Company contain complete and accurate records of all meetings and other corporate actions and proceedings of the stockholders and board of directors (including committees thereof) of such Acquired Company. The stock ledger of each Acquired Company is accurate, complete and reflects all issuances,

transfers, repurchases and cancellations of shares of capital stock of such Acquired Company. Accurate and complete copies of the minute books and the stock ledger of each Acquired Company have been delivered to Parent.

2.22 Absence of Changes. Since the date of the balance sheet included in the Interim Financial Statements to the Agreement Date, there has not been any Material Adverse Effect. Since the date of the balance sheet included in the Interim Financial Statements to the Agreement Date, each Acquired Company has conducted its business only in the ordinary course and consistent with past practices, and each Acquired Company has:

(a) used commercially reasonable efforts to (i) preserve intact its present business organization, (ii) to keep available the services of its present officers, managerial personnel and key employees and independent contractors, and (iii) preserve its relationships with customers, suppliers and others having business dealings with it;

(b) (i) used commercially reasonable efforts to maintain its assets in their current condition, except for ordinary wear and tear, and (ii) repaired, maintained, or replaced its equipment in accordance with the normal standards of maintenance applicable in the industry;

(c) used commercially reasonable efforts to renew any Material Contract;

(d) paid all Indebtedness and other accounts payable as they became due;

(e) not amended or terminated any Material Contract nor has it received any written notice or other written communication that any other Person has or intends to take any such actions;

(f) not transferred, granted any license or sublicense of any rights under or with respect to any of its Intellectual Property, other than in the ordinary course of business consistent with past practice;

(g) not made or pledged to make any charitable or other capital contribution;

(h) not adopted, terminated or amended any Employee Benefit Plan, made any contribution to any Employee Benefit Plan (other than regularly scheduled contributions), except as otherwise required to comply with applicable Legal Requirements, or increased the compensation or benefits of any officer, director, or employee or other personnel (whether employees or independent contractors), other than in the ordinary course of business consistent with past practice;

(i) not made any oral or written representation or commitment with respect to any aspect of any Employee Benefit Plan that is not in accordance with the existing written terms and provision of such Employee Benefit Plan;

(j) not terminated any employee, other than in the ordinary course of business consistent with past practice;

(k) not acquired (including by merger, consolidation, or the acquisition of any equity interest or assets) or sold (whether by merger, consolidation, or the sale of an equity interest or assets), leased, or disposed of any assets, except for fair consideration in the ordinary course of business and consistent with past practice or, even if in the ordinary course of business and consistent with past practices, whether in one or more transactions, in no event involving assets having an aggregate fair market value in excess of $50,000;

(l) not mortgaged, pledged, or subjected to any Lien (other than Permitted Liens) any of its assets;

(m) not made any loans, advances or capital contributions to, or investment in, any other Person, other than loans or investments by any Acquired Company to or in any Acquired Company;

(n) not entered into any joint ventures, strategic partnerships or alliances;

(o) not changed its practices and procedures with respect to the collection of accounts receivable or offered to discount the amount of any account receivable or extended any other incentive (whether to the account debtor or any employee or third party responsible for the collection of receivables) with respect thereto;

(p) not declared, paid or set aside assets for any dividend or otherwise or declared or made any other distribution with respect to its capital stock, or purchased, redeemed or acquired any shares of capital stock or other securities of any Acquired Company, except repurchases of unvested shares or cancellation of unvested options in connection with the termination of the service relationship with any employee and in connection with the termination of the service relationship with any other service provider pursuant to stock option or stock purchase agreements in effect on the date hereof;

(q) not incurred any Indebtedness outside the ordinary of course of business;

(r) not changed its existing practices and procedures for the payment of Indebtedness or other accounts payable;

(s) not cancelled, compromised, waived or released any right or claim other than immaterial rights or claims in the ordinary course of business;

(t) not paid, discharged or satisfied any material claim or material Liability, other than in the ordinary course of business, or cancelled, compromised, waived or released any material right or material claim;

(u) not incurred or committed to incur any capital expenditures, capital additions or capital improvements, other than budgeted capital expenditures made in the ordinary course of business consistent with past practice;

(v) not (i) made, changed or rescinded any material election relating to Taxes, (ii) settled or compromised any material claim, controversy or Legal Proceeding relating to Taxes, (iii) except as required by applicable Legal Requirements, made any material change to

any of its methods, policies or practices of Tax accounting or methods of reporting income or deductions for Tax purposes, (iv) amended, refiled or otherwise revised any previously filed U.S. income Tax Return or material non-U.S. Tax Return, or foregone the right to any material amount of refund or rebate of a previously paid Tax, (v) entered into or terminated, with respect to any Acquired Company, any agreements with a Tax Authority, or (vi) prepared any Tax Return in a manner inconsistent with past practices; and

(w) not authorized, approved, agreed to or made any commitment, in writing, to take any actions prohibited by this Section 2.22.

2.23 Product and Service Warranties. Each Company Product and Company Service is and has been in conformity in all material respects with all applicable specifications, contractual commitments (including service level requirements), express and implied warranties and Legal Requirements, and no Acquired Company has any liability or obligation for violations thereof or other damages in connection therewith, including any obligation to replace or repair any such products or re-perform any such service, subject only to the reserve set forth in the Financial Statements. No Company Product or Company Service is subject to any guaranty, warranty or indemnity beyond the applicable standard terms and conditions of sale, license or lease. The Company has made available to Parent copies of the standard terms and conditions of sale, license or lease for each Acquired Company (containing applicable guaranty, warranty and indemnity provisions).

2.24 Suppliers and Major Customers. Section 2.24 of the Disclosure Schedule sets forth an accurate and complete list of each supplier of goods or services to any Acquired Company to whom the Acquired Companies collectively paid in the aggregate more than $30,000 since December 31, 2013 (the "Major Suppliers"), together with in each case the amount paid during such period. Section 2.24 of the Disclosure Schedule also sets forth an accurate and complete list of each customer of any Acquired Company from whom the Acquired Companies collectively received in the aggregate more than $30,000 in collections or accounts receivable since December 31, 2013 to the Agreement Date (the "Major Customers"), together with in each case the amount of collections and accounts receivable during such period. Since December 31, 2013 to the Agreement Date, no Major Supplier or Major Customer has terminated its relationship with any Acquired Company or materially reduced or changed the pricing or other terms of its business with any Acquired Company. As of the Agreement Date, no Acquired Company is engaged in any material dispute with any Major Supplier or Major Customer and, to the Knowledge of the Company, no Major Supplier or Major Customer intends to terminate, limit or reduce its business relations with any Acquired Company, or materially reduce or change the pricing or other terms of its business with any Acquired Company. To the Knowledge of the Company, the consummation of the transactions contemplated by this Agreement would not reasonably be expected to have an adverse effect on the business relationship of any Acquired Company with any Major Supplier or Major Customer.

2.25 Vote Required. Except as set forth in the immediately following sentence, the affirmative vote or consent of: (a) the holders of a majority of the outstanding shares of Capital Stock (voting together as a single class on an as-converted basis); (b) the holders of the majority of the outstanding shares of Preferred Stock (voting as a single class and on an as-converted basis) and (c) the holders of a majority of the outstanding shares of Common Stock (voting as a

single class), are the only votes or consents necessary (under the Company's Charter Documents, the DGCL, the CGCL or otherwise) for the approval of this Agreement and the approval of the other transactions contemplated by this Agreement (including the Merger) (the votes or consents referred to in clauses "(a)" and "(b)" of this sentence being referred to collectively as the "Required Stockholder Vote"). The holders of a majority of the shares of Preferred Stock then outstanding (voting as a single class and on an as-converted basis) are the only votes or consents necessary to effect a mandatory conversion of the Preferred Stock into Common Stock pursuant to Section 4.2.1 of the Restated Certificate.

2.26 Third Party Acquisition Proposals. Each Acquired Company has ceased any and all activities, discussions or negotiations with any Person (other than Parent) with respect to any Acquisition Transaction.

2.27 Full Disclosure.

(a) Disclosures. To the Knowledge of the Company, this Agreement (including the Disclosure Schedule) does not, and the Company Closing Certificate (as defined in Section 6.6(e)), and Merger Consideration Certificate will not: (i) contain any representation, warranty or information that is false or any untrue statement of any material fact; or (ii) omit to state any material fact necessary in order to make the representations, warranties and information contained and to be contained herein and therein (in the light of the circumstances under which such representations, warranties and information were or will be made or provided) not false or misleading

(b) Information Statement. The information supplied by the Acquired Companies for inclusion in the Information Statement will not, as of the date of the Information Statement: (i) contain any statement that is inaccurate or any untrue statement of any material fact; or (ii) omit to state any material fact necessary in order to make such information (in the light of circumstances under which it is provided) not false or misleading. The Information Statement shall comply with all applicable Legal Requirements, provided the Company shall have no liability with respect to information furnished by Parent for use therein.

3. REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Parent and Merger Sub represent and warrant to the Company as follows:

3.1 Standing. Each of Parent and Merger Sub is a corporation validly existing and in good standing under the laws of the jurisdiction of its formation.

3.2 Authority and Due Execution.

(a) Authority. Each of Parent and Merger Sub have all requisite corporate power and authority to enter into this Agreement and any other Transaction Documents to which they are a party and to consummate the transactions contemplated hereby or thereby. The execution and delivery of this Agreement and the other Transaction Documents to which Parent or Merger Sub is a party and the consummation by Parent or Merger Sub of the transactions contemplated hereby or thereby have been duly authorized by all necessary corporate action on the part of Parent and Merger Sub and no other corporate proceedings on the part of Parent or

Merger Sub are necessary to authorize the execution, delivery and performance of this Agreement and such other Transaction Documents by Parent or Merger Sub or to consummate the transactions contemplated hereby or thereby.

(b) Due Execution. This Agreement has been, and, upon execution and delivery, each other Transaction Document to which either Parent or Merger Sub is a party will be, duly executed and delivered by Parent or Merger Sub and constitutes, or upon execution and delivery will constitute, the legal, valid and binding obligation of Parent or Merger Sub enforceable against Parent or Merger Sub in accordance with its terms, subject only to the effect, if any, of: (i) applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally, and (ii) rules of law governing specific performance, injunctive relief and other equitable remedies.

3.3 Non-Contravention and Consents.

(a) Non-Contravention. The execution and delivery by Parent and Merger Sub of this Agreement and each other Transaction Document to which Parent or Merger Sub is a party does not, and the consummation of the Merger and the performance of this Agreement and each other Transaction Document by Parent and Merger Sub will not: (i) conflict with or violate Parent or Merger Sub's Certificate or Articles of Incorporation or Bylaws, in each case as amended to date and currently in effect; (ii) conflict with or violate any Legal Requirement or Order applicable to Parent or Merger Sub or (iii) conflict with or violate any material Contract to which Parent or Merger Sub is a party to or by which its assets or properties are bound, except, in each of clauses (ii)-(iii), as would not have a material adverse effect on Parent's ability to consummate the Merger and perform its obligations under this Agreement.

(b) Contractual Consents. No Consent under any material Contract to which Parent or Merger Sub is a party is required to be obtained in connection with the execution, delivery or performance of this Agreement or any other Transaction Document by Parent or Merger Sub or the consummation by Parent or Merger Sub of the transactions contemplated hereby or thereby, except in each case, where the failure to obtain such Consent would not have a material adverse effect on Parent's ability to consummate the Merger and perform its obligations under this Agreement.

(c) Governmental Consents. No Consent of any Governmental Entity is required to be obtained or made by Parent or Merger Sub on or prior to the Closing Date in connection with the execution and delivery by Parent or Merger Sub of this Agreement or any other Transaction Document to which Parent or Merger Sub is a party or the consummation by Parent or Merger Sub of the transactions contemplated hereby or thereby, except for: (i) the filing of a pre-merger notification and report form under the HSR Act, and the expiration or termination of the applicable waiting period thereunder, and (ii) any other applicable filing required to be made by Parent or Merger Sub with any Governmental Entity under applicable antitrust or competition laws or termination of the applicable waiting periods or obtaining required Consents thereunder.

(d) Litigation. As of the date of this Agreement, there is no claim, action, suit, proceeding or governmental investigation pending or, to the knowledge of Parent and

Merger Sub, threatened against Parent or Merger Sub, by or before any Governmental Entity which challenges the validity of this Agreement or which would be reasonably likely to adversely affect or restrict Parent's or Merger Sub's ability to consummate the transactions contemplated by this Agreement.

(e) No Prior Operations. Merger Sub was incorporated for the purpose of entering into the transaction contemplated herein and has never engaged in any business operations of any kind and is not the successor to any other Person.

(f) Financing. At the Closing Parent will have sufficient funds to permit Parent and Merger Sub to consummate the transactions contemplated by this Agreement and the other agreements, documents or instruments referred to in this Agreement, including the payment in full of the amounts payable to the Securityholders under Section 1.

4. CERTAIN COVENANTS OF THE COMPANY.

4.1 Access and Investigation. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement pursuant to Section 8 or the Effective Time (the "Pre-Closing Period"), the Company shall, and shall cause its Representatives and each of the Acquired Companies and their respective Representatives to: (a) provide Parent and Parent's Representatives with reasonable access during normal business hours to the Acquired Companies' Representatives, personnel and assets and to all existing books, records, Tax Returns, work papers and other documents and information relating to the Acquired Companies; and (b) provide Parent and Parent's Representatives with copies of such existing books, records, Tax Returns, work papers and other documents and information relating to the Acquired Companies, and with such additional financial, operating and other data and information regarding the Acquired Companies, as Parent may reasonably request; provided that access to any information covered by attorney-client privilege, work product or similar protection will be appropriately limited and made under a mutually acceptable common interest agreement. During the Pre-Closing Period, Parent may make inquiries of Persons having business relationships with the Acquired Companies (including suppliers, licensors and customers) and the Company shall cause each Acquired Company to help facilitate (and shall cooperate fully with Parent in connection with) such inquiries, in each case subject to all applicable Legal Requirements. The Company shall deliver to Parent: as soon as practicable after the end of each monthly accounting period, and in any event within 15 days after the end of each such calendar month, unaudited consolidated financial statements of the Acquired Companies (consisting of a balance sheet, income statement and statement of cash flows) as of the end of each such monthly accounting period, in each case prepared in accordance with GAAP applied on a basis consistent with the basis on which the Financial Statements were prepared and in accordance with the Company's historic past practice (the "Pre-Closing Financial Statements").

4.2 Operation of the Business of the Company.

During the Pre-Closing Period, the Company agrees to operate the business of the Company to ensure that:

(a) each Acquired Company shall conduct its business and operations in the ordinary course and in substantially the same manner as such business and operations have been conducted prior to the date of this Agreement, including management of cash in the ordinary course and in substantially the same manner (which includes normal payment of payables and normal collection of receivables);

(b) each Acquired Company shall use commercially reasonable efforts to preserve intact its current business organization, keep available the services of its current officers and employees and maintain its relations and goodwill with all suppliers, customers, landlords, creditors, employees and other Persons having business relationships with the Acquired Companies;

(c) upon request by Parent, each Acquired Company shall report to Parent concerning operational, financial, regulatory, and Intellectual Property matters and otherwise report to Parent concerning the status of the business of the Acquired Companies;

(d) no Acquired Company shall cancel any of its insurance policies identified in Section 2.19(a) of the Disclosure Schedule or reduce the amount of any insurance coverage provided by such insurance policies;

(e) no Acquired Company shall declare, accrue, set aside or pay any dividend or make any other distribution in respect of any shares of capital stock or other securities, or repurchase, redeem, otherwise reacquire or adjust the conversion price of any shares of capital stock or other securities, except repurchases of unvested shares or cancellation of unvested options in connection with the termination of the service relationship with any employee and in connection with the termination of the service relationship with any other service provider pursuant to stock option or stock purchase agreements in effect on the date hereof;

(f) no Acquired Company shall sell, issue or authorize the issuance of: (i) any capital stock or other security; (ii) any option or right to acquire any capital stock (or cash based on the value of capital stock) or other security; or (iii) any instrument convertible into or exchangeable for any capital stock (or cash based on the value of capital stock) or other security (except that the Company shall be permitted to issue Common Stock upon the exercise of Options, or upon the conversion of Preferred Stock, in each case outstanding as of the date of this Agreement and in accordance with their terms as in effect on the date of this Agreement); *provided, however,* that the Company shall timely grant Options or other securities of the Company pursuant to and in accordance with any promise, commitment or other Contract to grant such Options or other securities of the Company which is outstanding as of the date of this Agreement and is set forth on Section 4.2(f) of the Disclosure Schedule;

(g) no Acquired Company shall amend or waive any of its rights under, or permit the acceleration of vesting under: (i) any provision of any Stock Plan; (ii) any provision of any agreement evidencing any outstanding Option; (iii) any provision of any restricted stock agreement; or (iv) any other compensation obligation;

(h) no Acquired Company shall amend or permit the adoption of any amendment to any Charter Document, or effect or permit any Acquired Company to become a

party to any Acquisition Transaction, recapitalization, reclassification of shares, stock split, reverse stock split or similar transaction;

(i) no Acquired Company shall form any Subsidiary or acquire any equity interest or other interest in any other Entity;

(j) no Acquired Company shall make any unbudgeted capital expenditure in excess of $15,000 in any one instance or $30,000 in the aggregate;

(k) no Acquired Company shall: (i) enter into, or permit any of the assets owned or used by it to become bound by, any Contract that is or would constitute a Material Contract (other than the sale or license of Company Products and Company Services on a non-exclusive basis to end users thereof in the ordinary course of business consistent with past practices pursuant to agreements in the form provided to Parent prior to the date hereof); or (ii) amend or prematurely terminate, or waive any material right or remedy under, any Contract that is or would constitute a Material Contract;

(l) no Acquired Company shall: (i) acquire, lease or license any right or other asset from any other Person; (ii) sell or otherwise dispose of, or lease or license, any right or other asset to any other Person or amend or modify any Contract identified in Section 2.11(s) of the Disclosure Schedule; or (iii) waive or relinquish any right, in the case of each of (i), (ii) and (iii), except in the ordinary course of business consistent with past practices;

(m) no Acquired Company shall: (i) lend money to any Person (except that the Company may make routine travel or business expense advances to current employees of the Company in the ordinary course of business consistent with past practices); or (ii) incur or guarantee any Indebtedness;

(n) no Acquired Company shall: (i) enter into any collective bargaining agreement; (ii) establish, adopt, amend or terminate any Company Benefit Plan (other than (A) as may have been required by the terms of the Company Benefit Plan, (B) standard renewals of Company Benefit Plans in accordance with any automatic or elective renewal terms contained therein, (C) the involuntary termination of any employee for which a general release of claims in favor of the Company was obtained or (D) the termination of any consulting or independent contractor pursuant to the terms of his or her consulting agreement); (iii) pay, or make any new commitment to pay, any bonus or make any profit-sharing payment, cash incentive payment or similar payment, other than commissions paid in the ordinary course of business and consistent with past practices; (iv) increase, or make any new commitment to increase, the amount of the wages, salary, commissions, fringe benefits, employee benefits or other compensation (including equity-based compensation, whether payable in cash or otherwise) or remuneration payable to any of its directors, officers or employees; (v) fund, or make any commitment to fund, any compensation obligation (whether by grantor trust or otherwise); (vi) promote or change the title of any of its employees (retroactively or otherwise); or (vii) hire or make an offer to hire any new employee;

(o) no Acquired Company shall change any of its methods of accounting or accounting practices in any material respect;

(p) no Acquired Company shall make or change any Tax election or adopt or change a material accounting method in respect of Taxes (other than in circumstances where such election or adoption is made on a Tax Return required to be filed under applicable Legal Requirements other than for the purpose of making such election or adopting such method), enter into a Tax allocation agreement, Tax sharing agreement, Tax indemnity agreement or closing agreement (other than customary Tax allocation or Tax sharing provisions in real property leases and subleases or other commercial contracts not primarily related to Taxes), settle or compromise a material claim, notice, audit report or assessment in respect of Taxes, request a ruling with respect to Taxes, grant any power of attorney relating to Tax matters, prepare any Tax Return in a manner inconsistent with past practices, consent to an extension or waiver of the statutory limitation period applicable to a claim or assessment in respect of Taxes, file a U.S. federal income tax return more than thirty days prior to the extended due date for such return, or fail to timely make all permitted applications for automatic extensions of time to file U.S. federal income tax returns on IRS Form 7004;

(q) no Acquired Company shall commence or settle any Legal Proceeding;

(r) no Acquired Company shall perform any acts with respect to Patent applications or take any actions involving the United States Patent and Trademark Office; and

(s) no Acquired Company shall agree or commit to take any of the actions described in clauses "(d)" through "(r)" above.

Notwithstanding the foregoing, the Company may take any action (i) described in clauses "(d)" through "(s)" above if Parent gives its prior written consent to the taking of such action by the Company, (ii) described in Section 4.2 of the Disclosure Schedule after consultation with Parent, and (iii) expressly required by this Agreement or any Legal Requirement.

4.3 Notification; Updates to Disclosure Schedule.

(a) Notification. During the Pre-Closing Period, the Company shall promptly notify Parent in writing of: (i) the discovery by any Acquired Company of any event, condition, fact or circumstance that occurred or existed on or prior to the date of this Agreement and that caused or constitutes a breach of or an inaccuracy in any representation or warranty made by the Company in this Agreement such that the condition in Section 6.1 would not be satisfied; (ii) the discovery of any event, condition, fact or circumstance that occurs, arises or exists after the date of this Agreement and that would cause or constitute a breach of or an inaccuracy in any representation or warranty made by the Company in this Agreement if: (A) such representation or warranty had been made as of the time of the occurrence, existence or discovery of such event, condition, fact or circumstance; or (B) such event, condition, fact or circumstance had occurred, arisen or existed on or prior to the date of this Agreement such that the condition specified in Section 6.1 would not be satisfied; (iii) the discovery of any breach of any covenant or obligation of the Company such that the condition in Section 6.2 would not be satisfied; and (iv) the discovery of any event, condition, fact or circumstance that would make the timely satisfaction of any of the conditions set forth in Section 6 or Section 7 impossible or unlikely. No such notification shall be deemed to supplement or amend the Disclosure Schedule for the purpose of: (i) determining the accuracy of any of the representations and warranties made by

the Company in this Agreement; or (ii) determining whether any of the conditions set forth in Section 6 has been satisfied.

(b) Updates. If any event, condition, fact or circumstance that is required to be disclosed pursuant to Section 4.3(a) requires any change in the Disclosure Schedule, or if any such event, condition, fact or circumstance would require such a change assuming the Disclosure Schedule were dated as of the date of the occurrence, existence or discovery of such event, condition, fact or circumstance, then the Company shall promptly deliver to Parent an update to the Disclosure Schedule specifying such change. No such update shall be deemed to supplement or amend the Disclosure Schedule for the purpose of: (i) determining the accuracy of any of the representations and warranties made by the Company in this Agreement; or (ii) determining whether any of the conditions set forth in Section 6 has been satisfied. For purposes of this Section 4.3, the phrase "as of the Agreement Date" in any Specified Dated Representation in Section 2 shall be disregarded; provided that any such update to the Disclosure Schedule regarding such Specified Dated Representation shall be for informational purposes only.

4.4 No Negotiation. During the Pre-Closing Period, the Company shall not, and shall ensure that no Representative of the Company, nor any Acquired Company nor any Representative of any Acquired Company shall: (a) solicit or knowingly encourage the initiation or submission of any expression of interest, inquiry, proposal or offer from any Person (other than Parent) relating to a possible Acquisition Transaction; (b) participate in any discussions or negotiations or enter into any agreement, understanding or arrangement with, or provide any non-public information to, any Person (other than Parent or its Representatives) relating to or in connection with a possible Acquisition Transaction; or (c) entertain or accept any proposal or offer from any Person (other than Parent) relating to a possible Acquisition Transaction. The Company shall promptly (and in any event within 24 hours of receipt thereof) notify Parent orally and in writing of any inquiry, indication of interest, proposal, offer or request for non-public information relating to a possible Acquisition Transaction that is received by any Acquired Company during the Pre-Closing Period, which notice shall include: (i) the identity of the Person making or submitting such inquiry, indication of interest, proposal, offer or request, and the terms and conditions thereof; and (ii) an accurate and complete copy of all written materials provided in connection with such inquiry, indication of interest, proposal, offer or request).

4.5 Termination of Certain Company Benefit Plans. The Company shall take (or cause to be taken) all actions necessary and appropriate to terminate (a) all Company Benefit Plans that contain a cash or deferred arrangement intended to qualify under Section 401(a) of the Code (the "401(k) Plans"), with such termination of the 401(k) Plans to be effective no later than the day immediately preceding the Closing Date, (b) all group severance, separation or salary continuation Company Benefit Plans, programs or arrangements of the Acquired Companies (the "Severance Plans"), with such termination of the Severance Plans to be effective no later than the day immediately preceding the Closing Date, and (c) except as set forth in Section 4.5 of the Disclosure Schedule, all other Company Benefit Plans, with such terminations of such other Company Benefit Plans to be effective on the Closing Date; *provided, however*, Parent may, in its sole and absolute discretion, agree to sponsor and maintain any such 401(k) Plan, Severance Plan, or other Company Benefit Plan by providing the Company with written notice of such election (an "Election Notice") at least three days before the Effective Time. For any Company Benefit Plans to be terminated as described in this Section 4.5, (i) the Company shall deliver to

Parent, no later than the day immediately preceding the Closing Date, evidence that the Company's board of directors has validly adopted resolutions to terminate such Company Benefit Plans (the form and substance of which resolutions shall be subject to review and approval of Parent) as well as executed amendments to such Company Benefit Plans sufficient to assure compliance with all applicable requirements of the Code and regulations thereunder so that the tax-qualified status of the Company Benefit Plan will be maintained at the time of termination. In the event that the distributions of assets from the trust of a 401(k) Plan which is terminated are reasonably anticipated to trigger liquidation charges, surrender charges, or other fees to be imposed upon the account of any participant or beneficiary of such terminated plan or upon any Acquired Company or plan sponsor, then the Company shall take such actions as are necessary to reasonably estimate the amount of such charges and/or fees and provide such estimate in writing to Parent at least three Business Days prior to the Effective Time.

4.6 Termination/Amendment of Agreements. The Company shall use its commercially reasonable efforts to: (a) cause the agreements mutually agreed to by Parent and the Company to be terminated effective as of the Effective Time; and (b) cause the agreements mutually agreed to by Parent and the Company to be amended effective as of the Effective Time in the manner mutually agreed to by Parent and the Company.

4.7 FIRPTA Matters. At the Closing: (a) the Company shall deliver to Parent a statement (in such form as may be reasonably requested by counsel to Parent) conforming to the requirements of Section 1.897-2(h)(1)(i) of the United States Treasury Regulations (the "FIRPTA Statement"); and (b) the Company shall deliver to the Internal Revenue Service the notification required under Section 1.897 - 2(h)(2) of the United States Treasury Regulations (the "FIRPTA Notification").

4.8 Repayment of Insider Receivables. Prior to the Closing, the Company shall cause all outstanding Insider Receivables to be paid in full.

4.9 Communications with Employees. Prior to the Closing Date, the Company shall not communicate (and the Company shall ensure that no Acquired Company and no Representative of any Acquired Company communicates) with Company Employees regarding post-Closing employment matters with Parent, the Surviving Corporation or any other Subsidiary or Affiliate of Parent, including post-Closing employee benefit plans and compensation, without the prior written approval of Parent.

4.10 Resignation of Officers and Directors. The Company shall use commercially reasonable efforts to obtain and deliver to Parent, at or prior to the Closing, the resignation of each officer and director of each Acquired Company from their respective corporate offices (but not their employment) with the Acquired Companies, effective as of the Effective Time (or, at the option of Parent, a later time), which resignations shall be effective as of the Effective Time and shall be in form and substance satisfactory to Parent. Each such resignation shall state and acknowledge that the Acquired Companies are fully released from any and all indemnification or reimbursement of expenses obligations under the Charter Documents of the Acquired Companies or any Contract, except to the extent covered by insurance.

4.11 Closing Statements. At least five Business Days prior to the Closing Date, the Company shall prepare and deliver to Parent an estimated consolidated balance sheet of the Company as of immediately prior to the Closing, in form consistent with the Interim Financial Statements (the "Closing Balance Sheet"), together with documentation, reasonably satisfactory to Parent, in support of the calculation of the amounts set forth therein. At least two Business Days prior to the Closing, the Company shall deliver to Parent (a) an estimated Merger Consideration Certificate (as defined in Section 6.6(f)), setting forth the information required by Section 6.6(f), (b) a statement (the "Closing Date Indebtedness Statement") signed by the Chief Financial Officer of the Company (on behalf and in the name of the Company), which sets forth, by lender, the aggregate amount of the Indebtedness and (c) a statement (the "Closing Date Cash Statement") signed by the Chief Financial Officer of the Company (on behalf and in the name of the Company), which sets forth the Cash Amount. Attached to the Closing Date Indebtedness Statement will be copies of the Pay Off Letters (as defined in Section 4.12) delivered in accordance with Section 4.12. Nothing in this Section 4.11 shall limit any rights of any Indemnitee as set forth in Section 9.

4.12 Pay Off Letters. The Company shall request each creditor under the agreements mutually agreed to by Parent and the Company to prepare and deliver to the Company and Parent pay off letters, no later than three Business Days prior to the Closing Date, setting forth (a) the amounts required to pay off in full on the Closing Date the Indebtedness owing to such creditor (including the outstanding principal, accrued and unpaid interest and prepayment and other penalties) and wire transfer information for such payment; (b) upon payment of such amounts, a complete release of each Acquired Company, Parent and the Surviving Corporation; and (c) the commitment of such creditor to release all Liens, if any, which such creditor may hold on any of the assets of any Acquired Company within a designated time period after the Closing Date (the "Pay Off Letters"). The Company shall cause the Pay Off Letters to be updated, as necessary, on the Closing Date.

4.13 Tail Insurance. Prior to the Effective Time, the Company shall purchase an extended reporting period endorsement under the Company's existing directors' and officers' liability insurance coverage (the "D&O Tail") for the Acquired Companies' directors and officers in a form mutually acceptable to the Company and Parent, which shall provide such directors and officers with coverage for six years following the Effective Time of not less than the existing coverage under, and have other terms not materially less favorable to the insured persons than the terms of, the directors' and officers' liability insurance coverage currently maintained by the Company.

4.14 Tax Returns.

(a) Each Acquired Company shall prepare and file in a timely manner all Tax Returns required to be filed by it that are due on or before the Closing Date taking into account applicable extensions. On or before the Closing Date, each Acquired Company shall pay in a timely manner all Taxes that are due from it on or before the Closing Date. Each such Tax Return shall be prepared, in a manner consistent with past practices employed with respect to the Acquired Companies and shall utilize accounting methods, elections and conventions that do not have the effect of distorting the allocation of taxable amounts and deductions between the Tax periods covered by such Tax Returns and subsequent Tax periods. Parent shall have the right to

review any such income or other material Tax Return thirty (30) days prior to the filing of such Tax Return, and the Acquired Companies shall make any adjustments to such income or other material Tax Return that are reasonably requested by Parent.

(b) Following the Closing, Parent shall prepare and file or cause to be prepared and filed in a timely manner all Tax Returns relating to the Acquired Companies that are due after the Closing Date.

(c) Provided that the related Taxes either (i) have been paid by an Acquired Company on or prior to the Closing Date or (ii) have resulted in a claim against the Escrow Amount in accordance with Section 9, any refunds of Taxes or credits for overpayment of Taxes that are actually received in cash, or actually reduce the cash Taxes required to be paid, by Parent, the Surviving Corporation or any Acquired Company shall be for the account of the Effective Time Holders, and Parent will, and will cause the Surviving Corporation or any of their Affiliates to, deliver and pay over (either directly or through the Payment Agent) to the Effective Time Holders any such refund or the amount of any such credit within ten (10) Business Days after receipt. All other refunds and credits shall be for the account of the Surviving Corporation, Parent or their respective Subsidiaries, as applicable.

(d) Parent and the Securityholders' Agent shall cooperate, as and to the extent reasonably requested by the other party and at the other party's expense (provided that any such expenses incurred by the Securityholders' Agent shall be on behalf of the Effective Time Holders), in connection with the filing of any Tax Returns with respect to any Acquired Company or its operations, and any audit, examination, or other administrative or judicial proceeding, contest, assessment, notice of deficiency, or other adjustment or proposed adjustment with respect to Taxes of or attributable to any Acquired Company or its operations (a "Tax Contest").

4.15 Intellectual Property Matters. On or before the Closing Date, the Company shall deliver to Parent a complete and accurate list of all actions that must be taken by any Acquired Company within 120 days after the Closing Date, including the payment of any registration, maintenance or renewal fees and the filing of any documents, applications or certificates, for purposes of maintaining, perfecting, preserving or renewing any Company Registered Intellectual Property.

4.16 Accounting Firm Engagement Letter. No later than two (2) Business Days following the Agreement Date, the Company shall enter into an engagement letter with an independent accounting firm mutually agreeable to the Company and Parent (the "Accounting Firm"), in a form substantially similar to the engagement letter provided to the Company prior to the Agreement Date, to perform certain accounting work prior to Closing (the "Accounting Engagement Letter"). Parent shall bear and pay all fees, costs and expenses that are incurred by the Company in connection with the engagement of the Accounting Firm and the work contemplated by the Accounting Engagement Letter. The Company shall use commercially reasonable efforts to cooperate fully, as and to the extent requested by the Accounting Firm or Parent, in connection with the work contemplated by the Accounting Engagement Letter, which cooperation shall include (a) providing to Parent and the Accounting Firm copies of any such pre-existing documents, records, work papers and financial information reasonably requested by

Parent or the Accounting Firm, (b) attending such meetings and work sessions as reasonably requested by Parent and Accounting Firm, (c) using commercially reasonable efforts to prepare additional documentation as reasonably requested by Parent and the Accounting Firm.

4.17 Noncompetition Agreements. Following the Agreement Date, the Company shall use commercially reasonable efforts to obtain Noncompetition Agreements from the Persons mutually agreed to by Parent and the Company.

5. CERTAIN COVENANTS OF THE PARTIES

5.1 Filings and Consents.

(a) Filings. Each party shall use commercially reasonable efforts to file, as soon as practicable after the date of this Agreement, all notices, reports and other documents required to be filed by such party with any Governmental Entity with respect to the Merger and the other transactions contemplated by this Agreement, and to submit promptly any additional information requested by any such Governmental Entity. Without limiting the generality of the foregoing, the Company and Parent shall, promptly after the date of this Agreement, prepare and file any notifications required under any applicable antitrust or competition laws or regulations in connection with the Merger. The Company and Parent shall respond as promptly as practicable to any inquiries or requests received from any state attorney general, antitrust authority or other Governmental Entity in connection with antitrust or related matters. Subject to the confidentiality provisions of the Confidentiality Agreement, Parent and the Company each shall promptly supply the other with any information which may be required in order to effectuate any filings (including applications) pursuant to (and to otherwise comply with its obligations set forth in) this Section 5.1(a). Except where prohibited by applicable Legal Requirements or any Governmental Entity, and subject to the confidentiality provisions of the Confidentiality Agreement, the Company shall: (i) cooperate with Parent with respect to any filings made by Parent in connection with the Merger; (ii) permit Parent to review (and consider in good faith the views of Parent in connection with) any documents before submitting such documents to any Governmental Entity in connection with the Merger; and (iii) promptly provide Parent with copies of all filings, notices and other documents (and a summary of any oral presentations) made or submitted by any Acquired Company with or to any Governmental Entity in connection with the Merger. Except where prohibited by applicable Legal Requirements or any Governmental Entity, and subject to the confidentiality provisions of the Confidentiality Agreement, Parent and Merger Sub shall: (i) cooperate with the Company with respect to any filings made by the Company in connection with the Merger; (ii) permit the Company to review (and consider in good faith the views of the Company in connection with) any filings before submitting such filings to any Governmental Entity in connection with the Merger; and (iii) promptly provide the Company with copies of all filings and notices (and a summary of any oral presentations) made or submitted by Parent or Merger Sub with or to any Governmental Entity in connection with the Merger.

(b) Efforts. Subject to Section 5.1(c), Parent and the Company shall use commercially reasonable efforts to take, or cause to be taken, all actions necessary to consummate the Merger and make effective the other transactions contemplated by this Agreement on a timely basis. Without limiting the generality of the foregoing, but subject to

Section 5.1(c), each party to this Agreement: (i) shall make all filings (if any) and give all notices (if any) required to be made and given by such party in connection with the Merger and the other transactions contemplated by this Agreement; and (ii) shall use commercially reasonable efforts to obtain each Consent (if any) required to be obtained (pursuant to any applicable Legal Requirement or Contract, or otherwise) by such party in connection with the Merger or any of the other transactions contemplated by this Agreement.

(c) Limitations. Notwithstanding anything to the contrary contained in Section 5.1(b) or elsewhere in this Agreement, neither Parent nor Merger Sub shall have any obligation under this Agreement: (i) to divest or agree to divest (or cause any of its Subsidiaries or any Acquired Company to divest or agree to divest) any of its respective businesses, product lines or assets, or to take or agree to take (or cause any of its Subsidiaries or any Acquired Company to take or agree to take) any other action or to agree (or cause any of its Subsidiaries or any Acquired Company to agree) to any limitation or restriction on any of its respective businesses, product lines or assets; or (ii) to contest any Legal Proceeding relating to the Merger or any of the other transactions contemplated by this Agreement.

(d) Cooperation. If Parent or Merger Sub elects to propose, negotiate, or offer to commit to and effect by consent decree, hold separate order, or otherwise, any sale, divestiture, license, disposition, prohibition or limitation or other action of a type described in Section 5.1(c), with respect to any assets or businesses of Parent, Merger Sub or any of their respective Subsidiaries, or effective as of the Closing Date, any Acquired Company, the Company shall, and shall cause its Representatives to, reasonably cooperate as requested by Parent or Merger Sub in connection with any such sale, divestiture, license, disposition, prohibition or limitation or other action of a type described in Section 5.1(c) so long as such sale, divestiture, license, disposition, prohibition or limitation or other action is to be effective only as of the Effective Time.

(e) Financing. Parent and Merger Sub shall take all actions necessary, with all due haste, to amend the terms and conditions of that certain Credit Agreement, by and among Parent, as borrower, certain guarantors from time to time party thereto, JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, as Syndication Agent, Bank of America, N.A. SunTrust Bank and Wells Fargo Bank, National Association as Co-Documentation Agents and the other lenders and arrangers party thereto, such that Parent may consummate the transactions contemplated by this Agreement and satisfy all obligations of Parent or Merger Sub under this Agreement on a timely basis (the "Credit Facility Amendment").

5.2 Stockholder Consent.

(a) Required Stockholder Approval. Immediately following the execution and delivery of this Agreement, the Company shall distribute the Stockholder Written Consents for the purpose of obtaining the Required Stockholder Vote, and the Company shall deliver evidence of the receipt of such Required Stockholder Vote to Parent.

(b) Information Statement. As promptly as practicable (and in any event within 10 days or such longer period as may be agreed to by Parent) after the execution of this Agreement, the Company shall, in accordance with its Charter Documents and applicable Legal Requirements, provide to its stockholders an Information Statement and other appropriate documents in connection with the obtaining of waivers by the stockholders of the Company of their dissenters' rights in connection with the Merger. The Company shall use commercially reasonable efforts to obtain such waivers from holders of all of the outstanding shares of each class and series of Capital Stock. The Information Statement shall: (i) notify the stockholders of the receipt by the Company of the Required Stockholder Vote and their dissenters' rights pursuant to the DGCL and CGCL; and (ii) comply with all applicable Legal Requirements (provided that the Company shall have no liability with respect to information furnished by Parent for use therein). Notwithstanding anything to the contrary contained in this

Agreement, the Information Statement and any other materials submitted to the Company's stockholders in connection with the transactions contemplated by this Agreement shall be subject to prior review and reasonable approval by Parent.

(c) Parachute Payments. As promptly as practicable after the execution of this Agreement, the Company shall submit to the stockholders of the Company (in a manner reasonably satisfactory to Parent) for approval by such number of stockholders of the Company as is required by the terms of Section 280G(b)(5)(B) of the Code a written consent in favor of a single proposal to render the parachute payment provisions of Section 280G of the Code and the Treasury Regulations thereunder (collectively, "Section 280G") inapplicable to any and all payments and/or benefits provided pursuant to Company Benefit Plans or other Company Contracts that would be reasonably expected to result, separately or in the aggregate, in the payment of any amount and/or the provision of any benefit that would not be deductible by reason of Section 280G or that would be subject to an excise tax under Section 4999 of the Code (together, the "Section 280G Payments"). Any such stockholder approval shall be sought by the Company in a manner which satisfies all applicable requirements of Section 280G(b)(5)(B) of the Code and the Treasury Regulations thereunder, including Q-7 of Section 1.280G-1 of such Treasury Regulations. The Company agrees that: (i) in the absence of such stockholder approval, no Section 280G Payments shall be made; and (ii) promptly after execution of this Agreement, the Company shall deliver to Parent waivers, in form and substance satisfactory to Parent, duly executed by each Person who might receive any Section 280G Payment. The form and substance of all stockholder approval documents contemplated by this Section 5.2(c), including the waivers, shall be subject to the prior review and approval of Parent not less than 3 days prior to the stockholder vote.

5.3 Public Announcements. From and after the date of this Agreement: (a) except as expressly contemplated by this Agreement or required by Legal Requirements, the Company shall not (and the Company shall ensure that no Acquired Company and no Representative of any Acquired Company shall) issue or make any press release or public statement regarding (or otherwise disclose to any Person the existence or terms of) this Agreement or the Merger or any of the other transactions contemplated by this Agreement, without Parent's prior written consent; and (b) the Company shall consult (and the Company shall ensure that each Acquired Company consults) with Parent prior to issuing or making, and shall consider in good faith the views of Parent with respect to, any other press release or public statement. During the Pre-Closing Period, except as expressly contemplated by this Agreement, Parent will use reasonable efforts to consult with the Company prior to issuing or making any press release or public statement

regarding this Agreement or the Merger, or regarding any of the other transactions contemplated by this Agreement.

5.4 Reasonable Efforts. Prior to the Closing: (a) the Company shall use commercially reasonable efforts to cause the conditions set forth in Section 6 to be satisfied on a timely basis; and (b) subject to Section 5.1(c), Parent and Merger Sub shall use commercially reasonable efforts to cause the conditions set forth in Section 7 to be satisfied on a timely basis.

5.5 Employee Benefits

(a) Employment; Service Credit; Waiver of Pre-Existing Condition Limitations; Etc. For a period of one year following the Closing, Parent shall cause each employee of each Acquired Company who continues to be employed by any Acquired Company immediately after the Effective Time (each a "Continuing Employee") to be provided with base salary and health and welfare benefits that are in the aggregate commensurate with the base salary and health and welfare benefits provided to similarly-situated employees of Parent; provided, however, that no provision of this Agreement shall be construed as a guarantee of continued employment of any Continuing Employee. Subject to applicable plan provisions, contractual requirements and applicable Legal Requirements, Parent shall use commercially reasonable efforts to: (i) credit each Continuing Employee for their past service with the Acquired Companies for purposes of eligibility and vesting under Parent's 401(k), medical, vision and dental plans (except to the extent such service credit will result in benefit accruals or the duplication of benefits); (ii) grant the Continuing Employees such service credit for purposes of Parent's vacation leave policy (except to the extent such service credit will result in benefit accruals or the duplication of benefits); and (iii) cause any and all pre-existing condition limitations, eligibility waiting periods and evidence of insurability requirements under the terms of the employee arrangements of Parent (such arrangements, the "Parent Benefit Arrangements") that are group health plans to be waived with respect to such Continuing Employees and their eligible dependents.

(b) No Third Party Beneficiaries; No Restrictions. Notwithstanding anything in this Agreement to the contrary: (i) nothing in this Section 5.5 or elsewhere in this Agreement shall prevent Parent or the Surviving Corporation from changing its compensation structure or employee benefit programs or obligate Parent or the Surviving Corporation to provide any particular type or amount of compensation or benefits to any Company Employee, including any Continuing Employee, or shall be construed as resulting in any Continuing Employee being employed other than on an "at will" basis, or as obligating Parent or the Surviving Corporation to employ any Continuing Employee for any length of time following the Effective Time; (ii) nothing in this Agreement is intended to or shall be treated as an amendment to, or be construed as amending, any Company Benefit Plan or any other benefit program sponsored or maintained by Parent or the Surviving Corporation, and (iii) no Continuing Employee, and no other Company Employee, shall be deemed to be a third party beneficiary of this Agreement.

5.6 Director and Officer Indemnification.

(a) For a period of six years following the Effective Time, the Surviving Corporation shall, and Parent shall cause the Surviving Corporation to, indemnify and hold

harmless, reimburse, exculpate from liability, and advance expenses to all present and former officers and directors of any Acquired Company (the "Company Indemnified Parties") to the same extent and on the same terms as such persons are entitled to indemnification, reimbursement, exculpation or expense advancement by any Acquired Company as of the date of this Agreement pursuant to the Company's Charter Documents and individual indemnification agreements listed on the Disclosure Schedule for acts or omissions or matters which occurred or arose at or prior to the Effective Time (regardless of whether any proceeding relating to any Company Indemnified Party's rights to indemnification, exculpation or expense advancement with respect to any such matters, acts or omissions is commenced before or after the Closing Date); *provided*, *however*, that no Company Indemnified Party may seek indemnification, reimbursement, exculpation or advancement of expenses from Parent or the Surviving Corporation or any of their respective Affiliates for amounts such Company Indemnified Party owes or may owe to any Indemnitee in such Company Indemnified Party's capacity as an Effective Time Holder (or representative or Affiliate of an Effective Time Holder) under the provisions set forth in Section 9. Any claims for indemnification made under this Section 5.6 on or prior to the sixth anniversary of the Effective Time shall survive until the final resolution thereof.

(b) The provisions of this Section 5.6 are intended to be for the benefit of, and shall be enforceable by, the Company Indemnified Parties (or their heirs, personal Representatives, successors or assigns). The Surviving Corporation shall, and Parent shall cause the Surviving Corporation or its successors to, pay all costs and expenses (including reasonable attorneys' fees) incurred by any Company Indemnified Party (or his or her heirs, personal Representatives, successors or assigns) in any legal action brought by such person that is successful to enforce the obligations of Parent, the Surviving Corporation or its successors under this Section 5.6. The obligations of Parent, the Surviving Corporation and its successors under this Section 5.6 shall not be terminated, amended or otherwise modified in such a manner as to adversely affect any Company Indemnified Party (or his or her heirs, personal Representatives, successors or assigns) without the prior written consent of such Company Indemnified Party (or his or her heirs, personal Representatives, successors or assigns, as applicable).

6. CONDITIONS PRECEDENT TO OBLIGATIONS OF PARENT AND MERGER SUB

The obligations of Parent and Merger Sub to cause the Merger to be effected and otherwise cause the transactions contemplated by this Agreement to be consummated are subject to the satisfaction (or waiver by Parent), at or prior to the Closing, of each of the following conditions:

6.1 Accuracy of Representations.

The representations and warranties made by the Company in this Agreement, taken as a whole, shall be accurate in all material respects as of the Closing Date as if made on and as of the Closing Date, other than representations and warranties which by their terms are made as of a specific earlier date, which shall have been accurate in all material respects as of such earlier date; *provided*, *however*, that for purposes of determining the accuracy of such representations and warranties as of the forgoing dates: (i) for purposes of this section, any such representations and warranties containing materiality and Material Adverse Effect qualifications

limiting the scope of such representations and warranties shall be accurate in all respects as aforesaid; and (ii) any update or modification to the Disclosure Schedule made or purported to have been made after the date of this Agreement shall be disregarded.

6.2 Performance of Covenants. The covenants and obligations that the Company is required to comply with or to perform at or prior to the Closing shall have been complied with and performed, except for non-compliance or non-performance which is, in the aggregate, not material.

6.3 Governmental and Other Consents; Expiration of Notice Periods.

(a) Governmental Consents. All filings with and Consents of any Governmental Entity required to be made or obtained in connection with the Merger and the other transactions contemplated by this Agreement shall have been made or obtained and shall be in full force and effect and any waiting period under any applicable antitrust or competition law, regulation or other Legal Requirement shall have expired or been terminated.

(b) Other Consents. All Consents identified in Schedule 6.3(b) shall have been obtained and shall be in full force and effect, and all other material Consents of third parties (other than Governmental Entities) required to be obtained in connection with the Merger and the other transactions contemplated by this Agreement identified on Schedule 6.3(b) shall have been obtained, shall be in form and substance reasonably satisfactory to Parent and shall be in full force and effect.

(c) No Restraint on Business. No action will have been taken by any Governmental Entity, and no Legal Requirement or Order (whether temporary, preliminary or permanent) will have been enacted, adopted or issued by any Governmental Entity, in connection with any of the transactions contemplated by this Agreement pursuant to any antitrust Legal Requirement that has the effect of limiting or restricting Parent's business, or the effect of materially limiting or restricting the conduct or operation of the business of the Surviving Corporation or any Acquired Company or any Affiliate thereof following the Closing.

6.4 No Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Material Adverse Effect that is continuing.

6.5 Stockholder Approval. This Agreement shall have been duly approved by the Required Stockholder Vote, and such approval shall not have been withdrawn, rescinded or otherwise revoked. The shares of Capital Stock that constitute (or that are or may be eligible to become) Dissenting Shares shall be less than 5% of each class and series of Outstanding Capital Stock.

6.6 Agreements and Documents. Parent shall have received the following agreements and documents, each of which shall be in full force and effect:

(a) the Indemnification Agreements, duly executed by each Major Stockholder;

(b) Noncompetition Agreements, duly executed by the Persons mutually agreed to by Parent and the Company;

(c) Release Agreements, substantially in the form of Exhibit C (the "Releases"), duly executed by the Persons mutually agreed to by Parent and the Company;

(d) agreements, in form and substance reasonably satisfactory to Parent, terminating or amending the agreements mutually agreed to by Parent and the Company in accordance with Section 4.6 (provided that with respect to any of such agreements to be amended that pertain to certain promises to grant Company Options, the Company may instead grant such promised Company Options in the event that the intended recipient thereof declines to agree to amend such agreement);

(e) a certificate duly executed on behalf of the Company by the chief executive officer of the Company and containing the representation and warranty of the Company that the conditions set forth in Sections 6.1, 6.2 and 6.4 have been duly satisfied (the "Company Closing Certificate");

(f) a certificate (the "Merger Consideration Certificate"), in form and substance reasonably satisfactory to Parent, duly executed on behalf of the Company by the chief executive officer of the Company, containing the following information and the representation and warranty of the Company that all of such information is accurate and complete (and in the case of dollar amounts, properly calculated) as of the Closing:

(i) (A) the aggregate amount, as of immediately prior to the Closing, of all unpaid Company Transaction Expenses; (B) the Cash Amount; (C) the Adjusted Transaction Value; (D) the Fully Diluted Company Share Number; (E) the Per Share Escrow Amount; (F) the Per Share Expense Amount and (G) the Per Share Amount;

(ii) with respect to each Person who is a stockholder of the Company immediately prior to the Effective Time:

(A) the name and address of record (including email address, if available) of each such stockholder;

(B) the number of shares of Outstanding Capital Stock of each class and series held by each such stockholder;

(C) the consideration that each such stockholder is entitled to receive pursuant to Section 1.5 (on a certificate-by-certificate basis);

(D) the Pro Rata Share and the cash amount to be withheld as part of the Escrow Amount with respect to the shares of Outstanding Capital Stock held by each such stockholder pursuant to Section 1.5(c);

(E) the Pro Rata Share and the cash amount to be withheld as part of the Expense Amount with respect to the shares of Outstanding Capital Stock held by each such stockholder pursuant to Section 1.5(d);

(F) the Pro Rata Share and the total amount of Taxes to be withheld in accordance with Section 1.8(h) from the consideration that each such stockholder is entitled to receive pursuant to Section 1.5; and

(G) the net cash amount to be paid to each such stockholder by the Payment Agent upon surrender of such stockholder's Company Stock Certificates in accordance with Section 1.8 (after deduction of any amounts to be withheld as part of the Escrow Amount and the Expense Amount by such stockholder and any Taxes to be withheld in accordance with Section 1.8(h));

(iii) with respect to each Outstanding Vested Option (after giving effect to any exercises of Options prior to the Effective Time):

(A) the name and address of record (including email address, if available) of the holder thereof;

(B) the exercise price per share and the number, class and series of shares of Capital Stock subject to such Outstanding Vested Option;

(C) the consideration that the holder of such Outstanding Vested Option is entitled to receive pursuant to Section 1.6(a) (on a grant by grant basis);

(D) the Pro Rata Share and the amount to be withheld as part of the Escrow Amount and the Expense Amount with respect to the shares of Capital Stock subject to such Outstanding Vested Option pursuant to Section 1.6(a);

(E) the total amount of Taxes to be withheld in accordance with Section 1.8(h) from the consideration that the holder of such Outstanding Vested Option is entitled to receive pursuant to Section 1.6(a); and

(F) the net cash amount to be paid to the holder of such Outstanding Vested Option (after deduction of amounts to be withheld as part of the Escrow Amount and the Expense Amount by such holder and any Taxes to be withheld in accordance with Section 1.8(h)) pursuant to Section 1.6(a);

For clarity, it is understood and agreed that the foregoing references to "Pro Rata Share" may be presented on an aggregated basis by holder (i.e., the Merger Consideration Certificate will set forth the Pro Rata Share for each Effective Time Holder rather than further subdivide such Pro Rata Share amongst the particular grants of securities held by such holder).

(g) the written resignations described in Section 4.10 of each officer and director of each Acquired Company;

(h) the Certificate of Merger, duly executed by the Company;

(i) written acknowledgments pursuant to which the Acquired Companies' outside legal counsel and any financial advisor, accountant or any other Person who performed

services for or on behalf of any Acquired Company, or who is otherwise entitled to any fees, compensation or reimbursement from any Acquired Company, in connection with this Agreement, any of the transactions contemplated by this Agreement or otherwise, acknowledges: (i) the total amount of fees, costs and expenses of any nature that is payable or has been paid to such Person in connection with this Agreement and any of the transactions contemplated by this Agreement or otherwise; and (ii) that upon receipt of such total amount it will have been paid in full and will not be owed any other amount by any Acquired Company with respect to this Agreement, the transactions contemplated by this Agreement or otherwise;

(j) the FIRPTA Statement and the FIRPTA Notification executed by the Company;

(k) the Pay Off Letters; and

(l) certificates of good standing (or equivalents thereof) from the Secretary of State of the State of Delaware and from each other jurisdiction set forth in Section 2.1(a) of the Disclosure Schedule as to the good standing (or equivalent thereof) of the Acquired Companies in such jurisdiction and payment of all applicable Taxes.

6.7 No Restraints. No temporary restraining order, preliminary or permanent injunction or other order preventing or otherwise impeding the consummation of the Merger shall have been issued by any court of competent jurisdiction or other Governmental Entity of competent jurisdiction and remain in effect, and there shall not be any applicable Legal Requirement enacted or deemed applicable to the Merger by any Governmental Entity of competent jurisdiction that makes consummation of the Merger illegal.

6.8 No Legal Proceedings. No Governmental Entity of competent jurisdiction shall have commenced or threatened in writing to commence any Legal Proceeding: (a) challenging the Merger or any of the other transactions contemplated by this Agreement or seeking the recovery of damages in connection with the Merger or any of the other transactions contemplated by this Agreement; (b) seeking to prohibit or limit the exercise by Parent of any material right pertaining to its ownership of stock of Merger Sub or the Company; (c) that would reasonably be expected to have the effect of preventing, delaying, making illegal or otherwise interfering with the Merger or any of the other transactions contemplated by this Agreement; or (d) seeking to compel the Company, Parent or any Affiliate of Parent to dispose of or hold separate any material assets as a result of the Merger or any of the other transactions contemplated by this Agreement.

6.9 Termination of Options. The Company shall have provided Parent with evidence reasonably satisfactory to Parent as to the exercise or termination of all Options and other rights to purchase shares of Capital Stock.

6.10 Key Employees. Each of Michael Lee and Albert Lee shall have entered into (i) an employment agreement with the Company, dated as of the date hereof and (ii) an Employee Agreement, in the form mutually agreed to by Parent and the Company, and such employment agreements shall have not been revoked by such key employees.

6.11 Company Benefit Plans. Prior to Closing, the Acquired Companies shall (i) make all required contributions and pay all premiums required under each Company Benefit Plan, including any employer matching and profit sharing contributions, which are due on or before the Closing Date and (ii) take all action required to make any amendments to any Company Benefit

Plan required to comply with applicable Law for periods on or before the Closing Date and to file or furnish all documentation related to the Company Benefit Plans that are required to be filed with or furnished to any participant or Governmental Entity to comply with applicable Laws for periods on or before the Closing Date.

7. CONDITIONS PRECEDENT TO OBLIGATIONS OF THE COMPANY

The obligations of the Company to effect the Merger and otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction (or waiver), at or prior to the Closing, of the following conditions:

7.1 Accuracy of Representations. The representations and warranties made by Parent and Merger Sub in this Agreement, taken as a whole, shall be accurate in all material respects as of the Closing Date as if made on and as of the Closing Date, other than representations and warranties which by their terms are made as of a specific date, which shall have been accurate in all material respects as of such date, except in each case where the failure of the representations and warranties of Parent and Merger Sub to be accurate in all material respects would not reasonably be expected to have a material adverse effect on the ability of Parent to consummate the Merger; *provided*, *however*, that for purposes of determining the accuracy of such representations and warranties, any such representations and warranties containing materiality qualifications limiting the scope of such representations and warranties shall be accurate in all respects as aforesaid.

7.2 Performance of Covenants. The covenants and obligations that Parent and Merger Sub are required to comply with or to perform at or prior to the Closing shall have been complied with and performed, except for non-compliance or non-performance which is, in the aggregate, not material.

7.3 Stockholder Approval. This Agreement shall have been duly approved by the Required Stockholder Vote, and such approval shall not have been withdrawn, rescinded or otherwise revoked.

7.4 Certificate. The Company shall have received a certificate duly executed on behalf of Parent by an officer of Parent and containing the representation and warranty of Parent that the conditions set forth in Sections 7.1 and 7.2 have been satisfied.

7.5 No Restraints. No temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of the Merger by the Company shall have been issued by any court of competent jurisdiction or other Governmental Entity and remain in effect, and there shall not be any applicable Legal Requirement enacted or deemed applicable to the Merger by any Governmental Entity of competent jurisdiction that makes consummation of the Merger by the Company illegal.

7.6 Governmental Consents. All filings with and Consents of any Governmental Entity required to be made or obtained in connection with the Merger and the other transactions contemplated by this Agreement shall have been made or obtained and shall be in full force and

effect and any waiting period under any applicable antitrust or competition law, regulation or other Legal Requirement shall have expired or been terminated.

7.7 Key Employee. Parent (or the Company on behalf of Parent) shall have executed and delivered an employment agreement, dated as of the date hereof, with each of Michael Lee and Albert Lee, and such employment agreements shall not have been revoked by Parent.

7.8 Retention Pool. Parent and Michael Lee shall have agreed in writing upon the terms of an equity retention pool for the benefit of the Continuing Employees.

8. TERMINATION

8.1 Termination Events. This Agreement may be terminated prior to the Closing (whether before or after the adoption and approval of this Agreement by the Company's stockholders):

(a) by the mutual written consent of Parent and the Company;

(b) by Parent if the Closing has not taken place on or before 5:00 p.m. (Eastern Standard Time) on May 31, 2015 (the "End Date") and any condition set forth in Section 6 has not been satisfied or waived as of the time of termination (in each case other than as a result of any failure on the part of Parent to comply with or perform any covenant or obligation of Parent or Merger Sub set forth in this Agreement);

(c) by the Company if the Closing has not taken place on or before 5:00 p.m. (Eastern Standard Time) on the End Date and any condition set forth in Section 7 has not been satisfied or waived as of the time of termination (in each case other than as a result of any failure on the part of the Company to comply with or perform any covenant or obligation of the Company set forth in this Agreement);

(d) by Parent if: (i) a court of competent jurisdiction or other Governmental Entity of competent jurisdiction shall have issued a final and nonappealable order, decree or ruling, or shall have taken any other action, having the effect of permanently restraining, enjoining or otherwise prohibiting the Merger; or (ii) there shall be any applicable Legal Requirement enacted, promulgated, issued or deemed applicable to the Merger by any Governmental Entity of competent jurisdiction that would make consummation of the Merger illegal;

(e) by the Company if: (i) a court of competent jurisdiction or other Governmental Entity of competent jurisdiction shall have issued a final and nonappealable order, decree or ruling, or shall have taken any other action, having the effect of permanently restraining, enjoining or otherwise prohibiting the Merger; or (ii) there shall be any applicable Legal Requirement enacted, promulgated, issued or deemed applicable to the Merger by any Governmental Entity of competent jurisdiction that would make consummation of the Merger illegal;

(f) by Parent if: (i) any of the representations and warranties of the Company contained in this Agreement shall be inaccurate as of the date of this Agreement, or shall have

become inaccurate as of a date subsequent to the date of this Agreement, such that the condition set forth in Section 6.1 would not be satisfied; or (ii) any of the covenants of the Company contained in this Agreement shall have been breached such that the condition set forth in Section 6.2 would not be satisfied; *provided, however*, that, in the case of clauses "(i)" and "(ii)" only, if an inaccuracy in any of the representations and warranties of the Company as of a date subsequent to the date of this Agreement or a breach of a covenant by the Company is curable by the Company through the use of reasonable efforts within 15 days after Parent notifies the Company in writing of the existence of such inaccuracy or breach (the "Company Cure Period"), then Parent may not terminate this Agreement under this Section 8.1(f) as a result of such inaccuracy or breach prior to the expiration of the Company Cure Period, provided the Company, during the Company Cure Period, continues to exercise reasonable efforts to cure such inaccuracy or breach (it being understood that Parent may not terminate this Agreement pursuant to this Section 8.1(f) with respect to such inaccuracy or breach if such inaccuracy or breach is cured prior to the expiration of the Company Cure Period);

(g) by the Company if: (i) any of Parent's representations and warranties contained in this Agreement shall be inaccurate as of the date of this Agreement, or shall have become inaccurate as of a date subsequent to the date of this Agreement, such that the condition set forth in Section 7.1 would not be satisfied; or (ii) if any of Parent's covenants contained in this Agreement shall have been breached such that the condition set forth in Section 7.2 would not be satisfied; *provided, however,* that if an inaccuracy in any of Parent's representations and warranties as of a date subsequent to the date of this Agreement or a breach of a covenant by Parent is curable by Parent through the use of reasonable efforts within 15 days after the Company notifies Parent in writing of the existence of such inaccuracy or breach (the "Parent Cure Period"), then the Company may not terminate this Agreement under this Section 8.1(g) as a result of such inaccuracy or breach prior to the expiration of the Parent Cure Period, provided Parent, during the Parent Cure Period, continues to exercise reasonable efforts to cure such inaccuracy or breach (it being understood that the Company may not terminate this Agreement pursuant to this Section 8.1(g) with respect to such inaccuracy or breach if such inaccuracy or breach is cured prior to the expiration of the Parent Cure Period; or

(h) by Parent if Stockholder Written Consents sufficient to obtain the Required Stockholder Vote are not delivered to Parent within 24 hours of the execution and delivery of this Agreement.

8.2 Termination Procedures. If Parent wishes to terminate this Agreement pursuant to Section 8.1, Parent shall deliver to the Company a written notice stating that Parent is terminating this Agreement and setting forth a brief description of the basis on which Parent is terminating this Agreement. If the Company wishes to terminate this Agreement pursuant to Section 8.1, the Company shall deliver to Parent a written notice stating that the Company is terminating this Agreement and setting forth a brief description of the basis on which the Company is terminating this Agreement.

8.3 Effect of Termination. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the parties under this Agreement shall terminate; *provided, however*, that: (a) none of the Company or Parent shall be relieved of any obligation or liability arising from any prior willful

breach by such party of any representation and warranty, or any willful breach by such party of any covenant or obligation, contained in this Agreement; (b) the parties shall, in all events, remain bound by and continue to be subject to the provisions set forth in Section 10; and (c) the parties shall, in all events, remain bound by and continue to be subject to Section 5.3 and the Confidentiality Agreement.

9. INDEMNIFICATION, ETC.

9.1 Survival of Representations, Etc.

(a) General Survival. Subject to Section 9.1(c), the indemnification obligations of the Effective Time Holders set forth in Section 9.2(a) shall survive the Effective Time until the date that is 18 months subsequent to the Closing Date (the "Survival Date") (at which time the representations and warranties made by the Company (other than the Fundamental Representations) shall terminate and expire); *provided*, *however,* that if, at any time on or prior to the Survival Date, any Indemnitee delivers to the Securityholders' Agent a written notice asserting a claim for recovery under Section 9.2, then the claim asserted in such notice shall survive the Survival Date until such time as such claim is fully and finally resolved; provided further that Fundamental Representations shall survive the Effective Time until expiration of the applicable statute of limitations covering the matter addressed by a particular Fundamental Representation (but in no event longer than six years subsequent to the Closing Date).

(b) Parent Representations. All representations, warranties and covenants (except for those covenants requiring performance after the Effective Time) made by Parent and Merger Sub shall terminate and expire as of the Effective Time, and any liability of Parent or Merger Sub with respect to such representations, warranties and covenants (except for those covenants requiring performance after the Effective Time) shall thereupon cease.

(c) Fraud. Notwithstanding anything to the contrary contained in Section 9.1(a) or Section 9.1(b), the limitations set forth in Sections 9.1(a) and 9.1(b) shall not apply with respect to any representation or warranty herein in the event of any Fraudulent breach of such representation or warranty committed by or on behalf of the Company, Parent, or Merger Sub, a claim for which may be brought until expiration of the applicable statute of limitations.

(d) Representations. (i) The Company and the Securityholders' Agent (on behalf of the Effective Time Holders) hereby agree that the Indemnitees' rights to indemnification, compensation and reimbursement contained in this Section 9 relating to the representations, warranties, covenants and obligations of the Company or the Securityholders' Agent are part of the basis of the bargain contemplated by this Agreement; and such representations, warranties, covenants and obligations, and the rights and remedies that may be exercised by the Indemnitees with respect thereto, shall not be waived, limited or otherwise affected by or as a result of (and the Indemnitees shall be deemed to have relied upon such representations, warranties, covenants or obligations notwithstanding) any knowledge on the part of any of the Indemnitees or any of their Representatives, regardless of whether obtained through any investigation by any Indemnitee or any Representative of any Indemnitee or through disclosure by the Company or any other Person, and regardless of whether such knowledge was obtained before or after the execution and delivery of this Agreement and (ii) Parent hereby

acknowledges that other than the representations and warranties made in Section 2 (as qualified by the Disclosure Schedule) and the Company Closing Certificate, none of the Company, its Affiliates, or any of their Representatives make or have made, and Parent is not relying and has not relied on, any representation or warranty, express or implied, at law or in equity, with respect to the Company or its Subsidiaries or the subject matter of this Agreement.

(e) Disclosure Schedule. For purposes of this Agreement, the statements or other items of information set forth in the Disclosure Schedule, when read together with the statements in Section 2, shall be deemed to be the representations and warranties made by the Company in this Agreement.

9.2 Indemnification.

(a) Indemnification. From and after the Effective Time (but subject to Section 9.1), each Effective Time Holder (severally and not jointly) shall hold harmless and indemnify each of the Indemnitees from and against, and shall compensate and reimburse each of the Indemnitees for, such Effective Time Holder's Pro Rata Share of any Damages which are suffered or incurred by any of the Indemnitees (regardless of whether or not such Damages relate to any third party claim) and which arise from or as a result of, or are connected with the following (the "Indemnifiable Matters"):

(i) any inaccuracy in or breach of any representation or warranty made by the Company in this Agreement as of the date of this Agreement (other than any representation or warranty that by its terms speaks as of a particular date or dates, which shall instead be tested as of such date or dates) (without giving effect to any update or modification to the Disclosure Schedule made or purported to have been made on or after the date of this Agreement);

(ii) any inaccuracy in or breach of any representation or warranty made by the Company in this Agreement as if such representation or warranty was made on and as of the Closing (other than any representation or warranty that by its terms speaks as of a particular date or dates, which shall instead be tested as of such date or dates) (without giving effect to any update or modification to the Disclosure Schedule made or purported to have been made on or after the date of this Agreement);

(iii) any breach of any covenant or obligation of the Company in this Agreement;

(iv) regardless of the disclosure of any matter set forth in the Disclosure Schedule, the exercise by any stockholder of the Company of such stockholder's dissenters' rights under the DGCL or CGCL (it being understood that if a final determination of the fair value or fair market value of any Dissenting Shares is made by a court of competent jurisdiction, or a settlement is reached as to such fair value or fair market value, in connection with any such exercise of dissenters' rights, then the only portion of such fair value or fair market value to be included in calculation of the Damages incurred as a result of such exercise is the amount, if any, by which such fair

value or fair market value exceeds what otherwise would have been payable by Parent with respect to such Dissenting Shares in accordance with Section 1.5); and

(v) the Company Transaction Expenses to the extent not paid on prior to the Effective Time or otherwise taken into account in the calculation of the Merger Consideration.

(b) Damage to Parent. The parties acknowledge and agree that, if the Surviving Corporation suffers, incurs or otherwise becomes subject to any Damages as a result of or in connection with any inaccuracy in or breach of any representation, warranty, covenant or obligation, then (without limiting any of the rights of the Surviving Corporation as an Indemnitee) Parent shall also be deemed, by virtue of its ownership of the stock of the Surviving Corporation, to have incurred Damages as a result of and in connection with such inaccuracy or breach.

(c) Multiple Claims. Notwithstanding the fact that an Indemnitee may have the right to assert claims for indemnification under or in respect of more than one provision, representation, warranty or covenant of this Agreement in respect of any fact, event, condition or circumstance, no Indemnitee shall be entitled to double recovery (or recovery more than once) for the amount of any Damages suffered by such Indemnitee to the extent such Indemnitee has otherwise been already compensated for such Damages.

9.3 Limitations.

(a) Threshold; Deductible. Subject to Section 9.3(b), the Effective Time Holders shall not be required to make any indemnification payment pursuant to Section 9.2(a)(i), Section 9.2(a)(ii) or Section 9.2(a)(iii) unless and until (i) each individual claim or series of related claims exceeds $50,000 (the "*De Minimis* Threshold") and (ii) any one or more of the Indemnitees have suffered or incurred Damages exceeding $1,000,000 (the "Deductible") in the aggregate. If the total amount of such Damages exceeds the Deductible, then the Indemnitees shall be entitled to be indemnified against and compensated and reimbursed for the amount of Damages exceeding the Deductible.

(b) Applicability of *De Minimis* Threshold; Deductible. The limitation set forth in Section 9.3(a) shall not apply (and shall not limit the indemnification or other obligations of any Effective Time Holder) (i) as to any representation or warranty herein made by the Company, in the event of Fraudulent breach of such representation or warranty by or on behalf of the Company or (ii) in the case of a breach of a Fundamental Representation.

(c) Recourse to Escrow Amount. The indemnification rights of the Indemnitees contained in this Section 9 shall constitute the sole and exclusive remedy of the Indemnitees for any and all Damages arising out of or related to this Agreement and any certificate required to be executed and delivered in connection herewith or otherwise executed and delivered at the Closing (but specifically excluding any Release, Noncompetition Agreement or employment agreement). This means (i) that the survival periods and liability limits set forth in this Section 9 shall control notwithstanding any statutory or common law provisions or principles to the contrary, (ii) all applicable statutes of limitations or other claims periods with

respect to claims for Damages shall be shortened to the applicable claims periods and survival periods set forth herein, and (iii) the Indemnitees irrevocably waive any and all rights they may have to make claims against any Effective Time Holder under statutory and common law as a result of any Damages and any and all other damages incurred by the Indemnitees with respect to this Agreement whether or not in excess of the maximum amounts permitted to be recovered pursuant to this Section 9. Subject to Section 9.3(d), recourse by the Indemnitees to deduction from the Escrow Amount shall be the Indemnitees' sole and exclusive remedy under this Agreement for monetary Damages resulting from the matters referred to in Section 9.2(a). All claims for indemnification made by the Indemnitees pursuant to this Section 9 shall be brought first against the Escrow Fund until the Escrow Fund is exhausted before any claim for indemnification may be brought against an Effective Time Holder directly; provided that in the case of a breach of a Fundamental Representation, if such claim results in the exhaustion of the Escrow Fund, that will not reduce the liability of the Effective Time Holders for breaches of representations and warranties other than Fundamental Representations (such that the aggregate liability of the Effective Time Holders would be the same as if the chronological order of such claims were reversed).

(d) Applicability of Liability Cap. The limitation set forth in Section 9.3(c) shall not apply (and shall not limit the indemnification or other obligations of any Effective Time Holder) in the event of Fraudulent breach of a representation or warranty herein by or on behalf of the Company or to breaches of Fundamental Representations (the "Fundamental Matters"). Subject to Section 10.3, the total amount of indemnification payments that each Effective Time Holder can be required to make to the Indemnitees with respect to such Fundamental Matters and all other Indemnifiable Matters (inclusive of the amount that was withheld as part of the Escrow Amount and the Expense Amount from such Effective Time Holder's Merger Consideration) shall be limited to the aggregate Merger Consideration such Effective Time Holder was entitled to receive pursuant to Sections 1.5 and 1.6(a).

(e) Effect of Indemnification Payments. All indemnification payments made pursuant to this Section 9 shall be treated by all parties as adjustments to the aggregate consideration paid in the Merger.

(f) Calculation of Indemnifiable Damages. Any claim for indemnification shall be calculated (i) net of all insurance proceeds or other indemnification or contribution payments from any third party, if any, actually received by Indemnitee less any increase in premiums or other recovery costs to such Person as a result of such claim for insurance proceeds; (ii) as to actual losses and out-of-pocket costs and expenses incurred by Indemnitee, without regard to reductions or diminutions in value, lost opportunities or other speculative damages; and (iii) without regard to any punitive, special, incidental or consequential damages unless any such punitive, special, incidental or consequential damages are payable to a third party. If any Indemnitee actually receives any insurance or other third party payment in connection with any claim for Damages for which it has already been indemnified pursuant to this Section 9, it shall pay to the Parent such recovery for further distribution to the Effective Time Holders in accordance with the terms hereof within thirty (30) days after such payment is actually received.

(g) No Double-Recovery. If and solely to the extent that an amount of Damages in connection with an indemnifiable matter was already taken into account in

connection with calculation of the Merger Consideration, the Adjusted Transaction Value, the Cash Amount, the Indebtedness or the Company Transaction Fees (pursuant to the definitions thereof), the same amount of such Damages may not be recovered under this Section 9.

(h) Equal Treatment. Any claim for indemnification under Section 9.2, and any offer to compromise or settle such claim, must be made on a pro rata basis to all Effective Time Holders (based on their respective Pro Rata Shares).

(i) No Inadvertent Fraud. For the avoidance of doubt, in no event shall a matter that arises between the date of this Agreement and the Closing Date (other than as a result of Fraud by the Company under this Agreement) and thereby results in a failure of a representation or warranty of the Company contained in this Agreement or in the certification to be made by the Company pursuant to Section 6.6(e), be deemed to be Fraud with respect to such representation or warranty solely on the grounds that the Company may not legally effectively update the Disclosure Schedule.

(j) Personal Liability. Notwithstanding any other provision of this Agreement, in no event will any Effective Time Holder be liable for any other Effective Time Holder's breach of such other Effective Time Holder's representations, warranties, covenants or agreements contained in any ancillary agreement hereto to which such other Effective Time Holder is a party.

(k) Tax Attributes. Notwithstanding any other provision of this Agreement, the Company is not making and shall not be construed to have made, and the Effective Time Holders shall not have any liability or indemnification obligation with respect to, any representation or warranty as to the amount or availability of any net operating losses, Tax credits, Tax basis or other Tax attribute. Notwithstanding any other provision of this Agreement, the Effective Time Holders shall not have any liability or indemnification obligation for any Taxes of the Company (i) resulting from any election made under Section 338 of the Code with respect to the Merger, (ii) with respect to any taxable period (or portion thereof) beginning after the Closing Date, or (iii) resulting from any action taken by the Company after the Closing on the Closing Date.

9.4 No Contribution. Each Effective Time Holder waives, and acknowledges and agrees that such Effective Time Holder shall not have and shall not exercise or assert (or attempt to exercise or assert), any right of contribution, right of indemnity or advancement of expenses or other right or remedy against the Surviving Corporation or any Acquired Company in connection with any indemnification obligation to which such Effective Time Holder may become subject under or in connection with this Agreement or any other agreement or document delivered to Parent in connection with this Agreement in its capacity as an Effective Time Holder. Effective as of the Closing, the Securityholders' Agent, on behalf of itself and each Effective Time Holder, expressly waives and releases any and all rights of subrogation against Parent, the Surviving Corporation or any Acquired Company.

9.5 Defense of Third Party Claims. In the event of the assertion or commencement by any Person of any claim or Legal Proceeding (whether against the Surviving Corporation, any Acquired Company, Parent or any other Person) with respect to which any Effective Time Holder

may become obligated to hold harmless, indemnify, compensate or reimburse any Indemnitee pursuant to Section 9, Parent shall have the right, at its election, to control and proceed with the defense of such claim or Legal Proceeding with counsel reasonably satisfactory to the Securityholders' Agent (and for this purpose, it is acknowledged and agreed that Weil, Gotshal & Manges LLP is satisfactory to the Securityholders' Agent), and the Securityholders' Agent shall be entitled, at its expense (on behalf of the Effective Time Holders), to participate in, but not to determine or conduct, the defense of such third party claim and Parent shall keep the Securityholders' Agent reasonably apprised of material developments in such Legal Proceeding, and promptly provide to the Securityholders' Agent copies of all pleadings, notices and communications with respect to such claim or Legal Proceeding to the extent that receipt of such documents does not waive any privilege. If Parent so proceeds with the defense of any such claim or Legal Proceeding:

(a) subject to the other provisions of Section 9 (including the exhaustion of any available Deductible), all reasonable defense costs relating to the defense of such claim or Legal Proceeding shall be borne and paid exclusively by the Effective Time Holders (regardless of whether the underlying claim or Legal Proceeding is indemnifiable hereunder); provided Parent's sole and exclusive remedy for such defense costs shall be the then available Escrow Fund and any recoveries of such defense costs therefrom shall count against the liability caps in Section 9.3(c)-(d);

(b) each Effective Time Holder shall make available to Parent any documents and materials in such Effective Time Holder's possession or control that may be necessary to the defense of such claim or Legal Proceeding; and

(c) Parent shall have the right to settle, adjust or compromise such claim or Legal Proceeding; *provided, however,* that if Parent settles, adjusts or compromises any such claim or Legal Proceeding without the consent of the Securityholders' Agent, such settlement, adjustment or compromise shall not be conclusive evidence of the existence or amount of Damages incurred by the Indemnitee in connection with such claim or Legal Proceeding (it being understood that if Parent requests that the Securityholders' Agent consent to a settlement, adjustment or compromise, the Securityholders' Agent shall not unreasonably withhold or delay such consent provided, that the Securityholders' Agent may withhold consent to any requested settlement, adjustment or compromise if the Securityholders' Agent believes in good faith that there is not any underlying basis for indemnification under this Section 9 with respect to such settlement, adjustment or compromise).

If Parent does not elect to proceed with the defense of any such claim or Legal Proceeding, the Securityholders' Agent may proceed with the defense of such claim or Legal Proceeding with counsel reasonably satisfactory to Parent; *provided, however,* that the Securityholders' Agent may not settle, adjust or compromise any such claim or Legal Proceeding without the prior written consent of Parent (which consent may not be unreasonably withheld or delayed) unless (i) such judgment, settlement or compromise includes an unconditional release from all liability with respect to the claim in favor of the Indemnitees or (ii) the sole relief provided in connection with such judgment, settlement or compromise is monetary damages that are paid in full by the Effective Time Holders (including from the Escrow Fund) or any other relief that is enforceable only against The Effective Time Holders. Parent shall give the Securityholders' Agent prompt

notice of the commencement of any such Legal Proceeding against Parent, Merger Sub or the Company; *provided, however*, that any failure on the part of Parent to so notify the Securityholders' Agent shall not limit any of the obligations of the Effective Time Holders under Section 9 (except to the extent such failure materially prejudices the defense of such Legal Proceeding).

If Parent proceeds with the defense of any such claim or Legal Proceeding as contemplated under this Section 9.5, upon the request of Parent and subject to the other provisions of this Section 9, the Securityholders' Agent hereby agrees to instruct the Escrow Agent to pay to Parent from the Escrow Amount an amount equal to the reasonable documented defense costs of Parent relating to the defense of such claim or Legal Proceeding as such expenses are incurred by Parent (regardless of the provisions of Section 9.6 but subject to the limitations of Section 9.5(a)) on a monthly basis and subject to a reasonable advance review period for such documentation.

9.6 Indemnification Claim Procedure. If any Indemnitee has or reasonably believes it has incurred or suffered, or reasonably believes that it is reasonably likely to incur or suffer, Damages for which it is or will be entitled to be held harmless, indemnified, compensated or reimbursed under Section 9 or for which it is or will be entitled to a monetary remedy (such as in the case of a claim based on Fraudulent breach of a representation or warranty herein by or on behalf of the Company), such Indemnitee may deliver a notice of claim (a "Notice of Claim") to the Securityholders' Agent. Each Notice of Claim shall state the basis for such claim and each Indemnitee shall make available to the Securityholders' Agent any documents and materials in such Indemnitee's possession or control supporting the claims set forth in the Notice of Claim. In the event the Securityholders' Agent does not notify the Indemnitee within thirty (30) days following its receipt of a Notice of Claim that the Securityholders' Agent (on behalf of the Effective Time Holders) disputes the liability of the Effective Time Holders to the Indemnitee under this Section 9 or the amount thereof, the claim specified in such Notice of Claim shall be conclusively deemed a liability of the Effective Time Holders under this Section 9, and Parent may claim from the Escrow Amount or, to the extent the remaining funds in the Escrow Amount are insufficient to cover the amount of such claim and such claim is not subject to the limitations set forth in Section 9.3(c) in accordance with Section 9.3(d), the Effective Time Holders shall pay the amount of such liability to the Indemnitee on demand or, in the case of any notice in which the amount of the claim (or any portion of the claim) is estimated, on such later date when the amount of such claim (or such portion of such claim) becomes finally determined. In the event the Securityholders' Agent has timely disputed the liability of the Effective Time Holders (a "Claim Objection") with respect to such claim as provided above, as promptly as possible, such Indemnitee and the Securityholders' Agent shall establish the merits and amount of such claim (by mutual agreement, litigation, arbitration or otherwise) and if an agreement is reached, a memorandum setting forth such agreement shall be prepared and signed by both parties and shall be furnished to the Escrow Agent. If such Indemnitee and the Securityholders' Agent do not reach an agreement as to the merits and amount of such claim within thirty (30) days immediately after the date such Claim Objection is delivered to Parent, either Parent or the Company (or the Securityholders' Agent after the Effective Time) may demand arbitration of the matter unless the amount of the damage or loss is at issue in pending litigation or arbitration with
a third party, in which event arbitration shall not be commenced until such amount is ascertained or both parties agree to arbitration. Any arbitration requested pursuant to this Section 9.6 shall be settled by arbitration conducted by three (3) arbitrators. Parent and the Company (or the

Securityholders' Agent after the Effective Time) shall each select one (1) arbitrator, and the two (2) arbitrators so selected shall select a third arbitrator. The arbitrator shall, within ten (10) Business Days after the last day of any hearings on any motion, issue a definitive ruling on such motion. The arbitrator shall also, within twenty (20) Business Days from the last day of any hearings regarding the imposition of sanctions or the issuance of any awards, issue a definitive ruling on the imposition of any such sanctions or the issuance of any such award in such arbitration. The arbitrator shall also establish procedures designed to reduce the cost and time for discovery, while allowing the parties a reasonable opportunity, adequate in the sole judgment of the arbitrator, to discover relevant information from the opposing parties about the subject matter of the dispute. The arbitrator shall rule upon motions to compel or limit discovery and shall have the authority to impose sanctions, including attorneys' fees and costs, to the same extent as a court of competent law or equity, should the arbitrator determine that discovery was sought without substantial justification or that discovery was refused or objected to without substantial justification. The decision of the arbitrator, or a majority of the three (3) arbitrators, as applicable, shall be binding and conclusive upon the parties to this Agreement, and the Escrow Agent shall be entitled to act in accordance with such decision and make or withhold payments out of the Escrow Fund in accordance therewith. Such decision shall be written and shall be supported by written findings of fact and conclusions, which shall set forth the award, judgment, decree or order awarded by the arbitrator. Judgment upon any award rendered by the arbitrator may be entered in any court having jurisdiction. Any such arbitration shall be held in Wilmington, Delaware, under the rules then in effect of the American Arbitration Association.

9.7 Exercise of Remedies Other Than by Parent. No Indemnitee (other than Parent or any successor thereto or assign thereof) shall be permitted to assert any indemnification claim or exercise any other remedy under this Agreement unless Parent (or any successor thereto or assign thereof) shall have consented to the assertion of such indemnification claim or the exercise of such other remedy.

10. MISCELLANEOUS PROVISIONS

10.1 Securityholders' Agent.

(a) Appointment. By virtue of the adoption and approval of this Agreement and/or the cancellation of Outstanding Vested Options in exchange for Merger Consideration pursuant to this Agreement, the Effective Time Holders irrevocably nominate, constitute and appoint Fortis Advisors LLC as the exclusive agent and true and lawful attorney in fact of the stockholders (the "Securityholders' Agent"), with full power of substitution, to act in the name, place and stead of the Effective Time Holders for purposes of executing any documents and taking any actions that the Securityholders' Agent may, in the Securityholders' Agent's sole discretion, determine to be necessary, desirable or appropriate in connection with any claim for indemnification, compensation or reimbursement under Section 9. Fortis Advisors LLC hereby accepts its appointment as Securityholders' Agent.

(b) Authority. The Effective Time Holders grant to the Securityholders' Agent full authority to execute, deliver, acknowledge, certify and file on behalf of such Effective Time Holders (in the name of any or all of the Effective Time Holders or otherwise) any and all documents that the Securityholders' Agent may, in its sole discretion, determine to be necessary,

desirable or appropriate, in such forms and containing such provisions as the Securityholders' Agent may, in its sole discretion, determine to be appropriate, in performing its duties as contemplated by Section 10.1(a). Notwithstanding the foregoing, the Securityholders' Agent shall have no obligation to act on behalf of the Effective Time Holders, except as expressly provided herein and in the Escrow Agreement, and for purposes of clarity, there are no obligations of the Securityholders' Agent in any ancillary agreement, schedule, exhibit or the Disclosure Schedule. Each Effective Time Holder (i) agrees that all actions taken by the Securityholders' Agent under this Agreement or the Escrow Agreement shall be binding upon such Effective Time Holder and such Effective Time Holder's successors as if expressly confirmed and ratified in writing by such Effective Time Holder, and (ii) waives any and all defenses which may be available to contest, negate or disaffirm the action of the Securityholders' Agent taken in good faith under this Agreement or the Escrow Agreement. Notwithstanding anything to the contrary contained in this Agreement or in any other agreement executed in connection with the transactions contemplated hereby: (i) each Indemnitee shall be entitled to deal exclusively with the Securityholders' Agent on all matters relating to any claim for indemnification, compensation or reimbursement under Section 9; and (ii) each Indemnitee shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Effective Time Holder by the Securityholders' Agent, and on any other action taken or purported to be taken on behalf of any Effective Time Holder by the Securityholders' Agent, as fully binding upon such Effective Time Holder.

(c) Power of Attorney. The Effective Time Holders recognize and intend that the power of attorney granted in Section 10.1(a) and the powers, immunities and rights to indemnification granted to the Securityholders' Agent Group hereunder: (i) are coupled with an interest and shall be irrevocable; (ii) may be delegated by the Securityholders' Agent; (iii) shall survive the death, incapacity, dissolution, liquidation or winding up of each of the Effective Time Holders and shall be binding on any successor thereto; and (iv) shall survive the delivery of any assignment by any Effective Time Holder of the whole or any fraction of his, her or its interests in the Escrow Fund.

(d) Replacement. If the Securityholders' Agent shall die, resign, become disabled or otherwise be unable to fulfill its responsibilities hereunder, the Effective Time Holders shall (by consent of those Persons entitled to at least a majority of the Merger Consideration), within 10 days after such death, resignation, disability or inability, appoint a successor to the Securityholders' Agent (who shall be reasonably satisfactory to Parent) and immediately thereafter notify Parent of the identity of such successor. Any such successor shall succeed the Securityholders' Agent as Securityholders' Agent hereunder. If for any reason there is no Securityholders' Agent at any time, all references herein to the Securityholders' Agent shall be deemed to refer to the Effective Time Holders.

(e) Expense Fund. The Securityholders' Agent (for itself and its Representatives and Affiliates) shall be entitled to full reimbursement from the Effective Time Holders for all reasonable expenses, disbursements and advances (including fees and disbursements of its counsel, experts and other agents and consultants) incurred by the Securityholders' Agent in such capacity (or any of its Representatives or Affiliates in connection therewith), and to full indemnification against any loss, liability or expenses, claim, damage, fee,

cost, fine, judgment, amount paid in settlement or expenses (including fees, disbursements and costs of counsel and other skilled professionals and in connection with seeking recovery from insurers) arising out of actions taken or omitted to be taken in its capacity as Securityholders' Agent (except for those arising out of the Securityholders' Agent's gross negligence or willful misconduct), including the costs and expenses of investigation and defense of claims (the "Securityholders' Agent Expenses"), from the Effective Time Holders, including from funds paid to the Securityholders' Agent under this Agreement and/or otherwise received by it in its capacity as Securityholders' Agent, or funds to be distributed to the Effective Time Holders under this Agreement at its direction, pursuant to or in connection with this Agreement (including under the Escrow Agreement). In furtherance of the foregoing, each Effective Time Holder hereby authorizes the Payment Agent to withhold the Expense Amount from the amounts otherwise payable by the Payment Agent to the Effective Time Holders pursuant to Sections 1.5 and 1.6(a), with the Payment Agent to withhold from the Merger Consideration otherwise payable to each Effective Time Holder and distribute to the Securityholders' Agent an amount equal to the Expense Amount, and the Payment Agent shall promptly, and in any event within three Business Days following the Effective Time, pay the Expense Amount to the Securityholders' Agent in immediately available funds. The Expense Amount shall be retained and used by the Securityholders' Agent in connection with the performance of its duties and obligations under this Agreement and the Escrow Agreement, and any unused amounts remaining from the Expense Amount shall be paid by the Securityholders' Agent to the Payment Agent for distribution to the Effective Time Holders, in accordance with their respective Pro Rata Shares, at such time as the Securityholders' Agent determines in its sole discretion to be appropriate. In addition, following exhaustion of the Expense Amount, each Effective Time Holder hereby authorizes the Securityholders' Agent to instruct the Escrow Agent to deduct from any amounts to be released from the Escrow Fund and distributed to such Effective Time Holder in accordance with the Escrow Agreement an amount equal to such Effective Time Holder's Pro Rata Share of any amounts to which the Securityholders' Agent is entitled pursuant to this Section 10.1(e). If not recovered from the Expense Amount or the Escrow Fund, any Securityholders' Agent Expenses shall be recovered directly from the Effective Time Holders according to their Pro Rata Shares. The Effective Time Holders shall not receive interest or other earnings on the Expense Amount and the Effective Time Holders irrevocably transfer and assign to the Securityholders' Agent any ownership right that they may have in any interest that may accrue on the Expense Amount. The Securityholders' Agent will hold the Expense Amount separate from its corporate funds and will not voluntarily make it available to its creditors in the event of bankruptcy. The Effective Time Holders acknowledge that the Securityholders' Agent is not providing any investment supervision, recommendations or advice. The Securityholders' Agent shall have no responsibility or liability for any loss of principal of the Expense Amount other than as a result of its gross negligence or willful misconduct. For tax purposes, the Expense Amount shall be treated as having been received and voluntarily set aside by the Effective Time Holders at the Effective Time. The parties agree that the Securityholders' Agent is not acting as a withholding agent or in any similar capacity in connection with the Expense Amount and has no tax reporting or income distribution obligations hereunder. The Effective Time Holders acknowledge that the Securityholders' Agent shall not be required to expend or risk its own funds or otherwise incur any financial liability in the exercise or performance of any of its powers, rights, duties or privileges or administration of its duties.

(f) Access and Information. The Securityholders' Agent shall have reasonable access to information about the Surviving Corporation and the reasonable assistance of the Acquired Companies' former officers and employees for purposes of performing its duties and exercising its rights hereunder; provided, that, the Securityholders' Agent shall treat confidentially and not use or disclose the terms of this Agreement or any nonpublic information from or about the Surviving Corporation to anyone (except to the Effective Time Holders or the Securityholders' Agent's employees, attorneys, accountants, financial advisors or authorized Representatives on a need to know basis, in each case who agree to treat such information confidentially); provided, however, that neither Parent nor the Surviving Corporation shall be obligated to provide such access or information if it determines, in its reasonable judgment, that doing so would jeopardize the protection of attorney-client privilege. The Securityholders' Agent shall enter into a separate customary confidentiality agreement prior to being provided access to such information if reasonably requested by Parent. The Securityholders' Agent shall be entitled to: (i) rely upon the Merger Consideration Certificate, (ii) rely upon any signature believed by it to be genuine, and (iii) reasonably assume that a signatory has proper authorization to sign on behalf of the applicable Effective Time Holder or other party.

(g) Advisory Group. Certain Effective Time Holders (the "Advisory Group") have concurrently herewith entered into a letter agreement with the Securityholders' Agent regarding direction to be provided by the Advisory Group to the Securityholders' Agent. Neither the Securityholders' Agent (together with its members, managers, directors, officers, contractors, agents and employees) nor any member of the Advisory Group (collectively, the "Securityholders' Agent Group") shall incur any liability to the Effective Time Holders for any liability incurred by the Securityholders' Agent while acting in good faith and arising out of or in connection with the acceptance or administration of its duties (it being understood that any act done or omitted pursuant to the advice of counsel shall be conclusive evidence of such good faith), even if such act or omission constitutes negligence on the part of the Securityholders' Agent. The Effective Time Holders shall indemnify, defend and hold harmless the Securityholders' Agent Group from and against any and all Securityholders' Agent Expenses incurred without gross negligence or willful misconduct on the part of the Securityholders' Agent and arising out of or in connection with the acceptance or administration of its duties hereunder. This immunities and rights to indemnification shall survive the resignation or removal of the Securityholders' Agent or any member of the Advisory Group and the Closing and/or the termination of this Agreement or the Escrow Agreement.

10.2 Further Assurances. Each party hereto shall execute and cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.

10.3 No Waiver Relating to Claims for Fraud. The liability of any Effective Time Holder under Section 9 will be in addition to, and not exclusive of, any other liability that such Effective Time Holder may have at law or in equity based on such Effective Time Holder's Fraud. Notwithstanding anything to the contrary contained in this Agreement, none of the provisions set forth in this Agreement, including the provisions set forth in Section 9, shall be deemed a waiver by any party to this Agreement of any right or remedy which such party may have at law or in equity based on any other Effective Time Holder's Fraud, nor will any such

provisions limit, or be deemed to limit: (a) the amounts of recovery sought or awarded in any such claim for Fraud; (b) the time period during which a claim for Fraud may be brought; or (c) the recourse which any such party may seek against another Effective Time Holder with respect to a claim for Fraud.

10.4 Fees and Expenses. Subject to Sections 1.5 and 9, each party to this Agreement shall bear and pay all fees, costs and expenses that have been incurred or that are incurred in the future by such party in connection with the transactions contemplated by this Agreement, including all fees, costs and expenses incurred by such party in connection with or by virtue of: (a) the negotiation, preparation and review of this Agreement (including the Disclosure Schedule) and all agreements, certificates, opinions and other instruments and documents delivered or to be delivered in connection with the transactions contemplated by this Agreement; (b) the preparation and submission of any filing or notice required to be made or given in connection with any of the transactions contemplated by this Agreement, and the obtaining of any Consent required to be obtained in connection with any of such transactions; and (c) the consummation of the Merger; *provided, however*, that Parent shall pay the filing fee incurred in connection with the filing by the parties hereto of the premerger notification and report forms relating to the Merger under the HSR Act.

10.5 Attorneys' Fees. If any action, suit or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement is brought against any party hereto, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

10.6 Notices. Any notice or other communication required or permitted to be delivered to any party under this Agreement shall be in writing and shall be deemed properly delivered, given and received: (a) if delivered by hand, when delivered; (b) if sent on a Business Day by email before 5:00 p.m. (recipient's time) on the day sent by email and receipt is confirmed, when transmitted; (c) if sent by email on a day other than a Business Day and receipt is confirmed, or if sent by email after 5:00 p.m. (recipient's time) on the day sent by email and receipt is confirmed, on the Business Day following the date on which receipt is confirmed; and (d) if sent by overnight delivery via a national courier service, two Business Days after being delivered to such courier, in each case to the address or email set forth beneath the name of such party below (or to such other address or email as such party shall have specified in a written notice given to the other parties hereto):

If to Parent or Merger Sub:

Under Armour, Inc.
1020 Hull Street
Baltimore, Maryland 21230
Attention: John Stanton
E-mail: jstanton@underarmour.com

with a copy (which shall not constitute notice) to:

King & Spalding LLP
1180 Peachtree Street, NE
Atlanta, Georgia 30309
Attention: William G. Roche
E-mail: broche@kslaw.com

If to the Company:

MyFitnessPal, Inc.
525 Brannan Street, Suite 300
San Francisco, CA 94107
Attention: Michael Lee
Email: mike@myfitnesspal.com

with a copy (which shall not constitute notice) to:

Fenwick & West LLP
801 California Street
Mountain View, California 94041
Attention: Ted Wang and Andrew Luh
E-mail: twang@fenwick.com and aluh@fenwick.com

If to the Securityholders' Agent:

Fortis Advisors LLC
Attention: Notice Department
Fax: (858) 408-1843
Email: notices@fortisrep.com

10.7 Headings. The bold-faced headings and the underlined headings contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

10.8 Counterparts and Exchanges by Electronic Transmission or Facsimile. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in .PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement.

10.9 Governing Law; Dispute Resolution.

(a) Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the state of Delaware irrespective of the choice of laws

principles of the state of Delaware, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

(b) Venue. Subject to the dispute resolution provisions of Section 9.6, any action, suit or other legal proceeding relating to this Agreement or the enforcement of any provision of this Agreement (including an action, suit or other legal proceeding based upon Fraud) may be brought or otherwise commenced exclusively in any state or federal court located in the State of Delaware. Each party to this Agreement: (i) expressly and irrevocably consents and submits to the exclusive jurisdiction of each state and federal court located in the State of Delaware (and each appellate court located in the State of Delaware) in connection with any such action, suit or legal proceeding; (ii) agrees that each state and federal court located in the State of Delaware shall be deemed to be a convenient forum; and (iii) agrees not to assert (by way of motion, as a defense or otherwise), in any such action, suit or legal proceeding commenced in any state or federal court located in the State of Delaware, any claim that such party is not subject personally to the jurisdiction of such court, that such action, suit or legal proceeding has been brought in an inconvenient forum, that the venue of such action, suit or legal proceeding is improper or that this Agreement or the subject matter of this Agreement may not be enforced in or by such court.

10.10 Successors and Assigns. This Agreement shall be binding upon: (a) the Company and its successors and assigns (if any); (b) Parent and its successors and assigns (if any); (c) Merger Sub and its successors and assigns (if any); (d) the Securityholders' Agent and its successors and assigns, if any; and (e) the Effective Time Holders. This Agreement shall inure to the benefit of: (i) the Company; (ii) Parent; (iii) Merger Sub; (iv) the other Indemnitees; and (v) the respective successors and assigns (if any) of the foregoing. Prior to Closing, no party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other parties. After the Closing Date, Parent may freely assign any or all of its rights under this Agreement (including its indemnification rights under Section 9), in whole or in part, to any other Person without obtaining the consent or approval of any other party hereto or of any other Person; provided that, notwithstanding any such assignment, Parent shall remain liable under this Agreement to observe and perform all of the obligations therein contained to be observed and performed by it. Any purported assignment in violation of this Section 10.10 shall be void.

10.11 Remedies Cumulative; Specific Performance. Except as expressly set forth herein (including Section 9.3, which shall exclusively control on the topic of remedies following Closing), the rights and remedies of the parties hereto shall be cumulative (and not alternative). The parties to this Agreement agree that, in the event of any breach or threatened breach by a party of any covenant, obligation or other provision set forth in this Agreement: (a) the other parties shall be entitled (in addition to any other remedy that may be available to it) to: (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision; and (ii) an injunction restraining such breach or threatened breach; and (b) the other parties shall not be required to provide any bond or other security in connection with any such decree, order or injunction or in connection with any related action or Legal Proceeding.

10.12 Waiver. No failure on the part of any Person to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. No Person shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Person; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

10.13 Waiver of Jury Trial. Each of the parties hereto hereby irrevocably waives any and all right to trial by jury in any action, suit or other legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby.

10.14 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered: (a) prior to the Closing Date, on behalf of the Company, Parent, Merger Sub and the Securityholders' Agent; and (b) after the Closing Date, on behalf of Parent and the Securityholders' Agent (acting exclusively for and on behalf of all of the Effective Time Holders).

10.15 Severability. In the event that any provision of this Agreement, or the application of any such provision to any Person or set of circumstances, shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to Persons or circumstances other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

10.16 Parties in Interest. Except for the provisions of Section 5.6 and Section 9, none of the provisions of this Agreement is intended to provide any rights or remedies to any employee, creditor or other Person other than Parent, Merger Sub, the Company and their respective successors and assigns (if any).

10.17 Entire Agreement. This Agreement and the other agreements referred to herein set forth the entire understanding of the parties hereto relating to the subject matter hereof and thereof and supersede all prior agreements and understandings among or between any of the parties relating to the subject matter hereof and thereof; *provided*, *however*, that the Confidentiality Agreement shall not be superseded by this Agreement and shall remain in effect in accordance with its terms until the earlier of (a) the Effective Time, or (b) the date on which such Confidentiality Agreement is terminated or expires in accordance with its terms.

10.18 Disclosure Schedule. The Disclosure Schedule shall be arranged in separate parts corresponding to the numbered and lettered sections and subsections contained in this Agreement, and the information disclosed in any numbered or lettered part shall be deemed to relate to and to qualify only the particular representation or warranty set forth in the corresponding numbered or lettered section or subsection of this Agreement, except to the extent that (a) such information is cross-referenced in another part of the Disclosure Schedule or (b) it is

readily apparent from the wording of such exception or disclosure that such information qualifies another representation and warranty of the Company in this Agreement.

10.19 Construction.

(a) Gender; Etc. For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(b) Ambiguities. The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

(c) Including. As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."

(d) References. Except as otherwise indicated, all references in this Agreement to "Sections," "Schedules" and "Exhibits" are intended to refer to Sections of this Agreement and Schedules and Exhibits to this Agreement.

10.20 Consent to Representation; Conflict of Interest. If the Securityholders' Agent so desires, acting on behalf of the Effective Time Holders and without the need for any consent or waiver by the Company, Parent or Merger Sub, Fenwick & West LLP ("Fenwick") shall be permitted to represent the Effective Time Holders after the Closing in connection with any matter, including without limitation, anything related to the transactions contemplated by this Agreement, any other agreements referenced herein or any disagreement or dispute relating thereto. Without limiting the generality of the foregoing, after the Closing, Fenwick shall be permitted to represent the Effective Time Holders, any of their agents and Affiliates, or any one or more of them, in connection with any negotiation, transaction or dispute (including any litigation, arbitration or other adversary proceeding) with Parent, the Company or any of their agents or Affiliates under or relating to this Agreement, any transaction contemplated by this Agreement, and any related matter, such as claims or disputes arising under other agreements entered into in connection with this Agreement, including with respect to any indemnification claims. Parent, Merger Sub and the Company further agree that, as to all communications among Fenwick and the Securityholders' Agent and the Effective Time Holders and their respective Affiliates (individually and collectively, the "Seller Group") in connection with the transactions contemplated by this Agreement, the attorney-client privilege and the exception of client confidence belongs solely to the Seller Group and may be controlled only by the Seller Group and shall not pass to or be claimed by Parent, Merger Sub and the Company, because the interests of Parent and its Affiliates were directly adverse to the Company, the Effective Time Holders and the Securityholders' Agent at the time such communications were made. This right to the attorney-client privilege shall exist even if such communications may exist on the Company's computer system or in documents in the Company's possession. Notwithstanding the foregoing, in the event that a dispute arises between Parent, Merger Sub and the Company, and a Person other than a party to this Agreement after the Closing, the Company may assert the

attorney-client privilege to prevent disclosure to such third-party of confidential communications by Fenwick to the Company; provided, however, that the Company may not waive such privilege without the prior written consent of the Securityholders' Agent.

[Remainder of page intentionally left blank]

The parties hereto have caused this Agreement to be executed and delivered as of the date first written above.

MARATHON MERGER SUB, INC.
a Delaware corporation

By: /s/ John Stanton
Name: John Stanton
Title: President

UNDER ARMOUR, INC.
a Maryland corporation

By: /s/ Kevin Plank
Name: Kevin Plank
Title: Chief Executive Officer

MYFITNESSPAL, INC.
a Delaware corporation

By: /s/ Michael Lee
Name: Michael Lee
Title: CEO

FORTIS ADVISORS LLC
a Delaware limited liability company

By: /s/ Ryan Simkin
Name: Ryan Simkin
Title: Managing Director

EXHIBIT A
CERTAIN DEFINITIONS

For purposes of the Agreement (including this Exhibit A):

"2013 Equity Incentive Plan" means the Company 2013 Equity Incentive Plan, as adopted on June 25, 2013.

"Acquired Company" means: (a) the Company; (b) each Subsidiary of the Company; and (c) each corporation or other Entity that has been merged into or that otherwise is a predecessor to any of the Entities identified in clauses "(a)" and "(b)" above.

"Acquisition Transaction" means any transaction or series of transactions involving:

(a) the sale, license, sublicense or disposition of all or a material portion of any Acquired Company's business or assets, including Intellectual Property;

(b) the issuance, disposition or acquisition of: (i) any capital stock or other equity security of any Acquired Company (other than Common Stock issued to upon exercise of Options or issued upon the conversion of Preferred Stock); (ii) any option, call, warrant or right (whether or not immediately exercisable) to acquire any capital stock, unit or other equity security of any Acquired Company (other than stock options granted to employees of the Company in routine transactions in accordance with Section 4.2 of the Agreement); or (iii) any security, instrument or obligation that is or may become convertible into or exchangeable for any capital stock, unit or other equity security of any Acquired Company (other than Common Stock issued upon exercise of Options or issued upon the conversion of Preferred Stock); or

(c) any merger, consolidation, business combination, reorganization or similar transaction involving any Acquired Company.

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person. For purposes of this definition and the Agreement, the term "control" (and correlative terms) means the power, whether by contract, equity ownership or otherwise, to direct the policies or management of a Person.

"Agreement" means the Agreement and Plan of Merger to which this Exhibit A is attached (including the Disclosure Schedule), as it may be amended from time to time.

"Business Day" means any day other than: (a) a Saturday, Sunday or federal holiday; or (b) a day on which commercial banks in San Francisco, California or Baltimore, Maryland are authorized or required to be closed.

"Capital Stock" means the shares of Common Stock and Preferred Stock.

"CGCL" means the General Corporation Law of the State of California.

"Code" means the Internal Revenue Code of 1986, as amended. All references to the Code, U.S. Treasury regulations or other governmental pronouncements shall be deemed to include references to any applicable successor regulations or amending pronouncement.

"Common Stock" means the common stock of the Company, par value $0.00001 per share.

"Company Contract" means any Contract: (a) to which any Acquired Company is a party; (b) by which any Acquired Company or any of its assets is bound or under which any Acquired Company has any obligation; or (c) under which any Acquired Company has any right or interest.

"Company Employee" means any current or former employee of any Acquired Company and (except for purposes of Section 5.5) any current or former independent contractor or director of any Acquired Company.

"Company Products" means all versions, releases and models of all Software products and other products that have been, or are currently being, designed or developed by or on behalf of any Acquired Company, and marketed, distributed, licensed, sold or otherwise provided by any Acquired Company in any manner (including online through a web-based offering, hosted service or similar arrangement), including the web and mobile applications and widgets bearing the names Calorie Counter – MyFitnessPal (Android), MFP Logs (Android), Calorie Counter & Diet Tracker by MyFitnessPal (iOS), Calorie Counter & Diet Tracker by MyFitnessPal (Windows Phone) and www.myfitnesspal.com, the Company's Application Programming Interfaces, the Company's software development kits, digital advertising and published health, diet, and fitness-oriented content.

"Company Services" means all services that have been or are currently being performed, provided, developed or offered by any Acquired Company, including the Software as a Service in support of the web and mobile applications and widgets bearing the names Calorie Counter – MyFitnessPal (Android), MFP Logs (Android), Calorie Counter & Diet Tracker by MyFitnessPal (iOS), Calorie Counter & Diet Tracker by MyFitnessPal (Windows Phone) and www.myfitnesspal.com, the publishing of digital advertising services, and the publishing of health, diet, and fitness-oriented content.

"Company Transaction Expenses" means all fees, costs, expenses, payments, expenditures or liabilities (collectively, "Expenses"), whether incurred prior to the date of the Agreement, during the Pre-Closing Period or at or after the Effective Time, and whether or not invoiced prior to the Effective Time, incurred by or on behalf of any Acquired Company, or to or for which any Acquired Company is or becomes subject or liable, in connection with any of the transactions contemplated by the Agreement, including: (a) Expenses described in Section 10.4 of the Agreement; (b) Expenses payable to legal counsel or to any financial advisor, broker, accountant or other Person who performed services for or provided advice to any Acquired Company, or who is otherwise entitled to any compensation or payment from any Acquired Company, in connection with any of the transactions contemplated by the Agreement; (c) the cost of the D&O Tail; and (d) Expenses incurred by or on behalf of any stockholder or employee of any Acquired Company in connection with the transactions contemplated by the Agreement

that any Acquired Company has paid or reimbursed prior to the Closing or is or will be obligated to pay or reimburse after the Closing. Notwithstanding anything in this Agreement to the contrary, "Company Transaction Expenses" shall not include any social security, Medicare, unemployment or other employment, withholding or payroll Tax or similar amount owed by any Acquired Company with respect to any of the transactions contemplated by the Agreement, including in connection with any exercise or cancellation of Options at or around the Effective Time.

"Computer Systems" means all servers, computer hardware, networks, Software, databases, telecommunications systems, data centers, storage devices, voice and data network services interfaces and related systems.

"Confidentiality Agreement" means that certain Confidentiality Agreement, dated as of October 28, 2014, between Parent and the Company.

"Consent" means any approval, consent, ratification, permission, waiver, order or authorization (including any Permit).

"Contract" means any legally binding written, oral or other agreement, contract, license, sublicense, subcontract, settlement agreement, lease, understanding, arrangement, instrument, note, purchase order, warranty, insurance policy, benefit plan or other legally binding commitment or undertaking of any nature.

"Copyrights" means copyrights and works of authorship in any media (including computer programs, Software, databases and compilations, files, applications, Internet site content and documentation and related items), moral rights, mask works, whether or not registered, and registrations and applications for registration for any of the foregoing.

"Damages" includes any loss, damage, injury, Liability, claim, demand, settlement, judgment, award, fine, penalty, Tax, fee (including reasonable attorneys' fees), charge, cost (including reasonable costs of investigation) or expense of any nature.

"Disclosure Schedule" means the schedule (dated as of the date of the Agreement) delivered to Parent on behalf of the Company and prepared in accordance with Section 10.18 of the Agreement.

"Effective Time Holders" means the Non-Dissenting Stockholders and the holders of Outstanding Vested Options.

"Employee Benefit Plan" means, with respect to any Person, each plan, fund, program, policy, arrangement, or contract, including each plan, fund, program, policy, arrangement or contract maintained or required to be maintained under a Legal Requirement of a jurisdiction outside the United States of America, in each case, that is sponsored, maintained or entered into or required to be sponsored, maintained or entered into by such Person or to which such Person makes, or has an obligation to make, contributions or to which such Person has any liability or obligation (whether actual or contingent) providing for benefits to or for the benefit of, or for the remuneration of, current or former employees, directors, managers, officers, consultants, independent contractors, contingent workers or leased employees of such Person or the

dependents of any of them, including any of the following, whether written or oral (and regardless of whether mandatorily sponsored pursuant to any applicable Legal Requirement or voluntarily sponsored): (a) any nonqualified deferred compensation top hat or supplemental executive retirement plan or arrangement that is an Employee Pension Benefit Plan; (b) any qualified defined contribution retirement plan or arrangement that is an Employee Pension Benefit Plan; (c) any qualified defined benefit retirement plan or arrangement that is an Employee Pension Benefit Plan; (d) any Employee Welfare Benefit Plan or material fringe benefit plan or program; (e) any vacation, paid time off, relocation, profit sharing, bonus, stock option, restricted stock, restricted stock unit, stock purchase, other equity-related, change in control, transaction, retention, tax gross-up, perquisite, consulting, employment, severance, redundancy, termination indemnity or incentive plan, agreement or arrangement; and (f) any plan, agreement or arrangement providing benefits related to clubs, vacation, childcare, parenting, sabbatical or sick leave.

"Employee Pension Benefit Plan" has the meaning set forth in Section 3(2) of ERISA and specifically includes any plan operated pursuant to the laws of any Governmental Entity other than the United States.

"Employee Welfare Benefit Plan" has the meaning set forth in Section 3(1) of ERISA and specifically includes any plan operated pursuant to the laws of any Governmental Entity other than the United States.

"Entity" means any corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any limited liability company or joint stock company), firm or other enterprise, association, organization or entity.

"Environmental Law" means any applicable Legal Requirement relating or pertaining to the public health and safety (including workplace health and safety) or the environment or otherwise governing the generation, use, handling, collection, treatment, storage, transportation, recovery, recycling, removal, discharge or disposal of Hazardous Materials, including, (a) the Solid Waste Disposal Act, 42 U.S.C. § 6901 *et seq*., as amended; (b) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq*., as amended; (c) the Clean Water Act, 33 U.S.C. § 1251 *et seq*., as amended; (d) the Clean Air Act, 42 U.S.C. § 7401 *et seq*., as amended; (e) the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq*., as amended; (f) the Emergency Planning and Community Right To Know Act, 42 U.S.C. § 11001 *et seq*., as amended; (g) the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq*., as amended; and (h) any analogous applicable Legal Requirement implemented in the European Union, its member states, and any other country in which any Acquired Company conducts business.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any Person or other entity that would be considered a "single employer" with any Acquired Company within the meaning of Section 414 of the Code.

"Escrow Agent" means Wells Fargo Bank, National Association.

"Escrow Fund" means the fund or bank account that holds the Escrow Amount pursuant to the Escrow Agreement.

"Expense Fund" means the fund or bank account that holds the Expense Amount pursuant to this Agreement.

"Fraud" and "Fraudulent" means fraud under Delaware law, including the element of scienter, but for clarity does not include constructive fraud or fraud by negligent or innocent misrepresentation.

"Fundamental Representations" means the representations in Sections 2.1, 2.2, 2.3, 2.4(a)(i) and 2.8.

"GAAP" means generally accepted accounting principles in the United States, consistently applied.

"Governmental Entity" means any: (i) nation, multinational, supranational, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (ii) federal, state, provincial, local, municipal, foreign or other government; (iii) instrumentality, subdivision, department, ministry, board, court, administrative agency or commission, or other governmental entity, authority or instrumentality or political subdivision thereof; or (iv) any quasi-governmental body exercising any executive, legislative, judicial, regulatory, taxing, importing or other governmental functions.

"Hazardous Material" means: (a) any hazardous waste, hazardous substance, toxic pollutant, hazardous air pollutant or hazardous chemical (as any of such terms may be defined under, or for the purpose of, any Environmental Law); (b) asbestos; (c) polychlorinated biphenyls; (d) petroleum or petroleum products; (e) underground storage tanks, whether empty, filled or partially filled with any substance; (f) any substance the presence of which on the property in question is prohibited under any Environmental Law; or (g) any other substance that under any Environmental Law requires special handling or notification of or reporting to any federal, state or local governmental entity in its generation, use, handling, collection, treatment, storage, recycling, treatment, transportation, recovery, removal, discharge or disposal in each case excluding office and cleaning supplies which are safely stored.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Indebtedness" means, without duplication: (a) all obligations (including the principal amount thereof or, if applicable, the accreted amount thereof and the amount of accrued and unpaid interest thereon) of the Acquired Companies, whether or not represented by bonds, debentures, notes or other securities (whether or not convertible into any other security), for the repayment of money borrowed, whether owing to banks, financial institutions, on equipment leases or otherwise; (b) all deferred indebtedness of the Acquired Companies for the payment of the purchase price of property or assets purchased (other than current accounts payable incurred in the ordinary course of business); (c) all obligations of the Acquired Companies to pay rent or other payment amounts under a lease which is required to be classified as a capital lease on the face of a balance sheet prepared in accordance with GAAP; (d) all outstanding reimbursement

obligations of the Acquired Companies with respect to letters of credit, bankers' acceptances or similar facilities issued for the account of any Acquired Company; (e) all obligations of the Acquired Companies under any interest rate swap agreement, forward rate agreement, interest rate cap or collar agreement or other financial agreement or arrangement entered into for the purpose of limiting or managing interest rate risks; (f) all obligations secured by any Lien (other than Permitted Liens) existing on property owned by any Acquired Company, whether or not indebtedness secured thereby will have been assumed; (g) all guaranties, endorsements, assumptions and other contingent obligations of the Acquired Companies in respect of, or to purchase or to otherwise acquire, Indebtedness of others; and (h) all premiums, penalties, fees, expenses, breakage costs and change of control payments required to be paid or offered in respect of any of the foregoing on prepayment (regardless if any of such are actually paid), as a result of the consummation of the transactions contemplated by the Agreement or in connection with any lender Consent; *provided*, *however*, that Indebtedness will not include any of the foregoing that is solely among the Acquired Companies.

"Indemnitees" means the following Persons: (a) Parent; (b) Parent's current and future Affiliates (including Merger Sub and, following the Merger, the Surviving Corporation); (c) the respective Representatives of the Persons referred to in clauses "(a)" and "(b)" above; and (d) the respective permitted successors and assigns of the Persons referred to in clauses "(a)", "(b)" and "(c)" above; *provided*, *however*, that the Effective Time Holders shall not be deemed to be "Indemnitees."

"Information Statement" means an information statement prepared by the Company and relating to the Agreement, waiver of dissenters' rights and the other transactions contemplated by the Agreement.

"Intellectual Property" means all intellectual property rights and industrial property rights whether arising under the laws of the United States or of any other jurisdiction, including Patents, Trademarks, Copyrights and Trade Secrets and domain names.

An individual shall be deemed to have "Knowledge" of a particular fact or other matter if: (a) such individual is actually aware of such fact or other matter; or (b) a prudent individual should have known such fact or other matter under the circumstances after reasonable inquiry of his or her direct reports with operational responsibility for the fact or other matter in question. The Company shall be deemed to have "Knowledge" of a particular fact or other matter if any Person listed on Annex 1 to Exhibit A has Knowledge of such fact or other matter or if any director of the Company is actually aware of such fact or other matter.

"Legal Proceeding" means any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Entity or any arbitrator or arbitration panel.

"Legal Requirement" means any federal, state, local, municipal, foreign, supranational or other law, statute, constitution, treaty, directive, resolution, ordinance, code, edict, writ, decree, rule, regulation, judgment, ruling, injunction or requirement issued, enacted, adopted,

promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity.

"Liability" means any debt, obligation, duty or liability of any nature (including any unknown, undisclosed, unmatured, unaccrued, unasserted, contingent, indirect, conditional, implied, vicarious, derivative, joint, several or secondary liability), regardless of whether such debt, obligation, duty or liability would be required to be disclosed on a balance sheet prepared in accordance with GAAP and regardless of whether such debt, obligation, duty or liability is immediately due and payable.

"Lien" means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, other possessory interest, conditional sale or other title retention agreement, intangible property right, claim, infringement, option, right of first refusal, preemptive right, community property interest or restriction of any nature (including any restriction on the voting of any security or restriction on the transfer, use or ownership of any security or other asset). For clarity, a non-exclusive license of intellectual property to end users of Company Products or Company Services in a form provided to Parent prior to the date hereof shall in no event be considered a Lien.

"Major Stockholders" means the following stockholders of the Company: (i) Accel Investors 2013 LLC, (ii) Accel XI Strategic Partners L.P., (iii) Accel XI L.P., (iv) KPCB Holdings, Inc., (v) The JOET Grantor Retained Annuity Trust dated June 13, 2013, (vi) The SPA 2013 Grantor Retained Annuity Trust dated June 13, 2013, (vii) Albert Lee, (viii) Michael Lee, and (ix) River Road Interactive, LLC.

"Material Adverse Effect" means any change, event, effect, circumstance or matter (each, an "Effect") that (considered together with all other Effects) is, or would reasonably be expected to be or to become, materially adverse to: (a) the business, financial condition, assets, liabilities, operations, results of operations or financial performance of the Acquired Companies, taken as a whole; (b) Parent's right to own, or to receive dividends or other distributions with respect to, the stock of the Surviving Corporation; or (c) the ability of the Company to perform any of its covenants or obligations under this Agreement or under any other Contract or instrument executed, delivered or entered into in connection with any of the transactions contemplated by this Agreement; *provided*, *however*, that, for purposes of clauses (a) and (c) only, the following shall not be deemed to constitute a Material Adverse Effect: (i) changes in conditions affecting the industry in which the Acquired Companies operate; (ii) political conditions and acts of war or terrorism; (iii) general economic conditions within the U.S. or any other country, (iv) conditions in the securities markets, credit markets, currency markets or other financial markets in the United States or any other country; (v) any actions taken or failure to take action, in each case, to which Parent has approved, consented to or requested or any actions of Parent or any of its Affiliates; or (vi) the taking of any action required by this Agreement or the failure to take any action prohibited by this Agreement, (vii) natural disasters or other force majeure events, (viii) the announcement pendency or consummation of the transactions contemplated by this Agreement, (ix) changes in law or GAAP or the interpretation or enforcement of any of the foregoing or (x) any failure to meet financial projections, estimates or forecasts for any period (provided, that the underlying cause of such failure may, to the extent applicable, be considered in determining whether there is a Material Adverse Effect); except in the case of each of clauses

(i), (iii) and (iv) unless and to the extent that they have a disproportionate effect on the Acquired Companies as compared to the other companies in the industry in which the Acquired Companies operate (in which case for clarity, only the extent of such disproportionate impact (if any) shall be taken into account when determining where there is a Material Adverse Effect).

"Material Contract" means each Contract listed or required to be listed in Section 2.11(o) and Section 2.11(s) of the Disclosure Schedule and all of the following, in each case as of the Agreement Date:

(a) each Company Contract with an end user of Company Products or Company Services (each such Company Contract is referred to as a "Customer Contract") that (i) is not based on an Acquired Company's or its predecessor's standard form end user contract or (ii) is based on, but materially deviates from, an Acquired Company's or its predecessor's standard form end user contract; (b) each Company Contract with a distributor, reseller, sales agent or representative, or similar "channel partner" of any Acquired Company (each such Company Contract is referred to as a "Channel Contract") that (i) is not based on an Acquired Company's or its predecessor's applicable standard form contract or (ii) is based on, but materially deviates from, an Acquired Company's or its predecessor's applicable standard form contract;

(c) each lease, lease guaranty, sublease or other Company Contract for the leasing, use or occupancy of the Leased Real Property and each Company Contract or other right pursuant to which any Acquired Company uses or possesses any Personal Property involving payments in excess of $30,000 per year (other than Personal Property owned by the Acquired Companies);

(d) any Company Contract with or otherwise for the material benefit of any Securityholder, director, officer or management level employee of any Acquired Company, or any member of his or her immediate family or, to the Knowledge of the Company, any Affiliate of any of such Persons, including any Contract providing for the furnishing of services by, rental of real or personal property from or otherwise requiring payments to or for the benefit of any such Person other than (i) employment offer letters and individual consulting or individual contracting agreements entered into in the ordinary course of business and which provide for "at-will" employment or are terminable by the Company on 30 days or less notice without further cost or other liability or (ii) any Option or other Contract that terminates or expires in its entirety as of the Effective Time;

(e) any Company Contract containing any covenant (i) specifically limiting the right of any Acquired Company to engage in any line of business, make use of any Company Intellectual Property (other than limitations pertaining to the use and exploitation of non-Company Owned Intellectual Property supplied by another Person and contained in the applicable Contract therefor) or compete with any Person in any line of business; (ii) granting any exclusive distribution, marketing or supply rights; (iii) containing any "most favored nation" or "most favored customer" or similar provision; or (iv) explicitly restricting the right of any Acquired Company to sell, license, distribute or manufacture any of its products or services or to purchase or otherwise obtain any software, components, parts or subassemblies, other than

limitations pertaining to the use and exploitation of products and services supplied by another Person and contained in the applicable Contract therefor, or to solicit, hire, or do business with any prospective employee, consultant, contractor or customer;

(f) any Company Contract relating to any joint venture, strategic alliance, partnership or sharing of profits or revenue or similar arrangement between any Acquired Company and any other Person;

(g) any Company Contract relating to any transaction in which any Acquired Company (or any Subsidiary of an Acquired Company) merged with any other Person, acquired any securities or assets (comprising a product line or line of business) of another Person, or otherwise acquired the rights to any Company Product or any Company Services or any Company Owned Intellectual Property;

(h) any Company Contract pursuant to which any Acquired Company has assumed any liability or duty with respect to, or agreed to defend, indemnify, or hold harmless another Person for, or otherwise agreed to be responsible (in any manner) for any claim of infringement, misappropriation, dilution or violation of Intellectual Property (other than Customer Contracts and Channel Contracts entered into by an Acquired Company or its predecessor in the ordinary course of business that do not materially deviate from the Acquired Company's or its predecessor's applicable standard form contract with respect to Intellectual Property infringement indemnification);

(i) any Company Contract between any Acquired Company and any Company Employee pursuant to which: (i) benefits would vest or amounts would become payable or the terms of which would otherwise be altered by virtue of the consummation of the transactions contemplated by this Agreement or any other Company Transaction Document (whether alone or upon the occurrence of any additional or subsequent events); (ii) any Acquired Company is or may become obligated to make any severance, termination, retention, gross-up or similar payment to any Company Employee; and (iii) any Acquired Company is or may become obligated to make any bonus, incentive compensation or similar payment (other than in respect of salary) to any Company Employee except as set forth on Schedule 2.15(a);

(j) any Company Contract for the employment of any individual as a consultant or contractor, or on any other basis other than as an employee, who is or was involved in, or who has participated in or contributed to, the conception, development, authoring, creation or reduction to practice of any Intellectual Property for any Acquired Company (each such Company Contract is referred to as a "Consultant IP Contract");

(k) any Company Contract with any employee of an Acquired Company who is or was involved in, or who has participated in or contributed to, the conception, development, authoring, creation or reduction to practice of any Intellectual Property for any Acquired Company (each such Company Contract is referred to as an "Employee IP Contract"), where such Company Contract either (i) deviates in any material respect from the Company's standard form of such contract or (ii) discloses or identifies inventions or other Intellectual Property that the employee claims to retain ownership of or other rights in;

(l) any Company Contract with any labor union or association representing any employee of any Acquired Company;

(m) any Company Contract for the sale of any of the assets of any Acquired Company, other than in the ordinary course of business, or for the grant to any Person of any preferential rights to purchase any of the assets of any Acquired Company;

(n) any outstanding powers of attorney executed by or on behalf of any Acquired Company;

(o) any Company Contract that provides for indemnification of any officer, director, employee or agent of any Acquired Company;

(p) any Company Contract involving any loan, guaranty, pledge, performance or completion bond or indemnity or surety arrangement or otherwise relating to the incurrence, assumption or guarantee of any Indebtedness by any Acquired Company or imposing a Lien (other than Permitted Liens) on any of the assets of any Acquired Company;

(q) any Company Contract regarding the acquisition, issuance or transfer of any securities (other than Options granted in the ordinary course of business) and each Company Contract affecting or dealing with any securities of any Acquired Company, including any restricted share agreements or escrow agreements; and

(r) any Company Contract or group of related Company Contracts with the same party (or affiliated parties) providing for payments by or to any one or more Acquired Companies, individually or in the aggregate, in excess of $30,000 in any fiscal year.

"Merger Consideration" means: (a) the consideration that a Non-Dissenting Stockholder is entitled to receive in exchange for such Non-Dissenting Stockholder's shares of Outstanding Capital Stock pursuant to Section 1.5 of the Agreement; and (b) the consideration that a holder of an Outstanding Vested Option is entitled to receive in exchange for such Outstanding Vested Option pursuant to Section 1.6(a) of the Agreement.

"Non-Dissenting Stockholder" means each stockholder of the Company that does not properly assert or perfect such stockholder's dissenter's rights under the DGCL and is otherwise entitled to receive consideration pursuant to Section 1.5.

"Open Source Software" means all Software, documentation or other material that is distributed as "free software", "open source software" or under a similar licensing or distribution model, including, but not limited to, the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Mozilla Public License (MPL), or any other license described by the Open Source Initiative as set forth on *www.opensource.org*, in each case only to the extent that the applicable license purports to (i) require, or condition the use or distribution of, or access to, such Software, documentation or other material on, the disclosure, licensing, or distribution of, or access to, source code, (ii) restrict any Person's ability to charge for distribution of software or (iii) otherwise impose any limitation, restriction, or condition on the right or ability of any Acquired Company to use, license, sell or distribute any Software, documentation or other

material other than requirements to include copyright notices or attributions or similar non copyleft provisions.

"Option" means each option, outstanding under any of the Stock Plans or otherwise, to purchase shares of Capital Stock from the Company (or exercisable for cash payable by the Company).

"Order" means any order, writ, injunction, judgment, decree, ruling or award of any arbitrator or any court or other Governmental Entity.

"Outstanding Unvested Option" means each Option that is unvested, outstanding and unexercised immediately prior to the Effective Time.

"Parent Common Stock" means the Class A common stock of Parent, $0.0003 par value.

"Patents" means patents (including utility, utility model, plant and design patents, and certificates of invention), patent applications (including additions, provisional, national, regional and international applications, as well as original, continuation, continuation-in-part, divisionals, continued prosecution applications, reissues, and re-examination applications), patent or invention disclosures, registrations, applications for registrations and any term extension or other governmental action which provides rights beyond the original expiration date of any of the foregoing.

"Permit" means any: (a) permit, license, approval, certificate, franchise, permission, clearance, Consent, registration, variance, sanction, exemption, order, qualification or authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Entity or pursuant to any applicable Legal Requirement; or (b) right under any Contract with any Governmental Entity.

"Permitted Liens" means (i) the liens and encumbrances identified in Section 2.9 of the Disclosure Schedule, (ii) statutory liens for taxes that are not yet due and payable, (iii) statutory liens to secure obligations to landlords, lessors or renters under leases or rental agreements, (iv) deposits or pledges made in connection with, or to secure payment of, workers' compensation, unemployment insurance or similar programs mandated by applicable law, (v) statutory liens in favor of carriers, warehousemen, mechanics and materialmen, to secure claims for labor, materials or supplies and other like liens, (vi) with respect to Company securities, any restrictions on transfer imposed by applicable federal and state securities laws, and (vii) such imperfections of title and encumbrances, if any, which are not material in character, amount or extent, and which do not materially detract from the value, or materially interfere with the present use, of the property subject thereto or affected thereby.

"Person" means any individual, Entity or Governmental Entity.

"Personal Data" means personal, private, health or financial information about current, former and prospective employees, customers, consumers or other natural persons, including all registered member or subscriber information collected, processed, or stored by any Acquired Company.

"Personal Property" means machinery, equipment, machinery, fixtures, hardware, tools, motor vehicles, furniture, furnishings, leasehold improvements, office equipment, inventory, supplies, plant, spare parts and other tangible personal property.

"Preferred Stock" means the Series A-1 Preferred Stock of the Company having a par value of $0.00001 per share.

"Prior Equity Incentive Plan" means the Company Share Incentive Plan.

"Privacy Legal Requirement" means a Legal Requirement that (a) pertains to the privacy of Personal Data or imposes restrictions or obligations related to the collection, use, processing, storage, disclosure or transfer of Personal Data and (b) exists in any country in which (i) any Acquired Company collects, uses, processes, stores or discloses Personal Data, (ii) any Person to which any Acquired Company discloses or provides access to Personal Data resides, or (iii) any individual whose Personal Data has been collected by any Acquired Company resides.

"Pro Rata Share" means, for any particular Effective Time Holder, the following:

(a) to the extent an indemnification payment shall be made, in accordance with and subject to Section 9, on behalf of such Effective Time Holder from the Escrow Fund, or in the case of any reference in the Agreement to "Pro Rata Share" for purposes of mechanics relating to the Escrow Amount and the Escrow Fund, a fraction having a numerator equal to aggregate amount deposited into the Escrow Fund on behalf of such Effective Time Holder, and having a denominator equal to the aggregate amount deposited into the Escrow Fund on behalf of all Effective Time Holders;

(b) to the extent an indemnification payment shall be made, in accordance with and subject to Section 10.1, on behalf of such Effective Time Holder from the Expense Fund, or in the case of any reference in the Agreement to "Pro Rata Share" for purposes of mechanics relating to the Expense Amount and the Expense Fund, a fraction having a numerator equal to aggregate amount deposited into the Expense Fund on behalf of such Effective Time Holder, and having a denominator equal to the aggregate amount deposited into the Expense Fund on behalf of all Effective Time Holders;

(c) in all other cases (including to the extent an indemnification payment shall be made, in accordance with Section 9, on behalf of such Effective Time Holders other than from the Escrow Fund) a fraction having a numerator equal to the aggregate amount of Merger Consideration that would be payable to such Effective Time Holder pursuant to Sections 1.5 and 1.6 of the Agreement (after deduction of the Escrow Amount, the Expense Amount and the exercise price payable in respect of any share of Capital Stock subject to an Option), and having a denominator equal to the aggregate amount of Merger Consideration that would be payable to all Effective Time Holders pursuant to Sections 1.5 and 1.6 of the Agreement (after deduction of the Escrow Amount, the Expense Amount and the exercise price payable in respect of any share of Capital Stock subject to an Option).

"Representatives" means officers, directors, employees, members, managers, agents, attorneys, accountants, advisors and representatives.

"Restated Certificate" means the Restated Certificate of Incorporation of the Company (as filed with the Secretary of State of the State of Delaware on August 2, 2013).

"Software" means source code or object code, whether embodied in software, firmware or otherwise, and any programming and user documentation related thereto.

"Securityholder" means each holder of shares of Capital Stock and each holder of an Option.

"Specified Dated Representations" means the representations and warranties contained in the following Sections: 2.1(a) (last sentence), 2.1(c) (first sentence), 2.1(d) (first sentence), 2.2(a)(iii) (third sentence), 2.2(a)(iv) (first sentence), 2.2(f) (first sentence), 2.7 (first and last sentences), 2.8(c) (first and third sentences), 2.9(a) (last sentence), 2.9(c) (second sentence), 2.11(a) (first sentence), 2.11(f) (first and second sentences), 2.11(r) (second and third sentences), 2.11(s) (third sentence), 2.12(a) (second and fourth sentences), 2.12(c) (third sentence), 2.15(c) (first sentence), 2.15(e) (second sentence), 2.16(j), 2.17(a) (first sentence), 2.18(a) (first sentence), 2.18(b) (fourth sentence), 2.18(c) (second sentence), 2.18(d) (first sentence), 2.19(a) (first, fifth and last sentences), 2.24 (third and fourth sentences).

"Stock Plans" means the Company's Prior Equity Incentive Plan and the Company's 2013 Equity Incentive Plan.

An entity shall be deemed to be a "Subsidiary" of another Person if such Person directly or indirectly owns or purports to own, beneficially or of record: (a) an amount of voting securities of or other interests in such Entity that is sufficient to enable such Person to elect at least a majority of the members of such Entity's board of directors or other governing body; or (b) at least 50% of the outstanding equity, voting, beneficial or financial interests in such Entity.

"Tax" means (i) any and all U.S. federal, state, local or non-U.S. tax (including, but not limited to any income tax, franchise tax, capital gains tax, estimated tax, gross receipts tax, value-added tax, surtax, excise tax, ad valorem tax, real or personal property tax, transfer tax, stamp tax, sales tax, use tax, business tax, occupation tax, inventory tax, occupancy tax, withholding tax, social security or other payroll tax), levy, assessment, tariff, impost, imposition, toll, duty (including any customs duty), deficiency or fee in the nature of taxes imposed, assessed or collected by or under the authority of any Governmental Entity, including, in each case, any penalty, interest or addition to such tax or other amount imposed with respect thereto, in each case, whether disputed or not and (ii) any Liability for any item described in (i) above as a result of being a member of an affiliated, consolidated, combined or unitary group or as a result of any tax sharing or tax allocation agreement, arrangement or understanding, or as a result of transferee or successor liability, by contract or otherwise.

"Taxing Authority" means, with respect to any Tax, the Governmental Entity or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such Governmental Entity or subdivision, including any governmental or quasi-Governmental Entity or agency that imposes, or is charged with collecting, social security or similar charges or premiums.

"Tax Return" means any return (including any information return), report, statement, declaration, estimate, schedule or form, filed with, or required to be filed with, any Governmental Entity in connection with the determination, assessment, collection or payment of any Tax.

"Trademarks" means trademarks, service marks, trade names, trade dress, logos, and all other identifiers of source, including all goodwill therein, and any and all common law rights, and registrations and applications for registration thereof and all rights therein.

"Trade Secrets" means trade secrets and confidential information, including all source code, documentation, know how, processes, technology, formulae, customer lists, business and marketing plans, inventions (whether or not patentable), marketing information, research and development, algorithms, ideas, designs, specifications, inventions (whether or not patentable), and process (to the extent not patented).

"Transaction Documents" means, collectively, the Agreement, the Letters of Transmittal (and all documents delivered pursuant thereto), the Noncompetition Agreements, the Releases, the Indemnification Agreements, the Escrow Agreement, the Stockholder Written Consents, the resignations described in Section 4.10 and the certificates described in Sections 6.6(e), 6.6(f) and 7.4 of the Agreement.

ANNEX 1

Knowledge Parties

1. Michael Lee
2. Albert Lee
3. Keith Conte
4. Vijay Raghunathan
5. Karthik Kongovi

Exhibit 10.08

RESTRICTED STOCK UNIT GRANT AGREEMENT

THIS AGREEMENT, made as of this ____ day of _____, 2015, (the "Agreement") between UNDER ARMOUR, INC. (the "Company") and _____ (the "Grantee").

WHEREAS, the Company has adopted the Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan, as amended (the "Plan"), which has been delivered or made available to Grantee, to promote the interests of the Company and its stockholders by providing the Company's key employees and others with an appropriate incentive to encourage them to continue in the employ of the Company and to improve the growth and profitability of the Company; and

WHEREAS, the Plan provides for the Grant to Grantees in the Plan of restricted share units for shares of Stock of the Company;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Investment. The Grantee represents that the Restricted Stock Units (as defined herein) are being acquired for investment and not with a view toward the distribution thereof.

2. Grant of Restricted Stock Units. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, and further subject to the approval by the Company's stockholders of the Plan (the "Approval"), the Company hereby grants to the Grantee an Award of Restricted Stock Units for _____ shares of Stock of the Company (collectively, the "Restricted Stock Units"). The Purchase Price for the Restricted Stock Units shall be paid by the Grantee's services to the Company.

3. Grant Date. The Grant Date of the Restricted Stock Units hereby granted is _____, 2015.

4. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of this Agreement, as interpreted by the Board, or a Committee thereof, shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

5. Vesting and Delivery Date. The Restricted Stock Units shall vest in ____ equal annual installments on each ____ beginning ____, ____; provided that (i) the Grantee remains continuously employed by the Company through each such applicable vesting date, and (ii) the Grantee has duly executed this Agreement prior to the first such vesting date. Notwithstanding the foregoing, in the event that the Grantee's employment is terminated on account of the Grantee's death or Disability at any time, all unvested Restricted Stock Units not previously forfeited shall immediately vest on such date of termination.

On the first business day after each vesting date, the Company shall deliver to Grantee the shares of stock to which the Restricted Stock Units relate, in each case following and subject to the Approval.

6. Change in Control.

(a) In the event of a Change in Control in which the Restricted Stock Units will not be continued, assumed or substituted with Substitute Awards (as defined below), all of the Restricted Stock Units not otherwise forfeited shall vest immediately on the day immediately prior to the date of the Change in Control.

(b) In the event of a Change in Control following which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, any Substitute Awards shall vest in equal annual installments as set forth in Section 5.

(c) If the Restricted Stock Units are substituted with Substitute Awards as set forth in subclause (b) of this Section 6, and within 12 months following the Change in Control the Grantee is terminated by the Successor (or an affiliate thereof) without Cause or resigns for Good Reason, the Substitute Awards shall immediately vest upon such termination or resignation.

(d) On the first business day after each vesting date set forth in Sections 6(a), (b) or (c), as applicable, the Company shall deliver to Grantee the shares of stock to which the Restricted Stock Units or Substitute Awards relate.

(e) The following definitions shall apply to this Section 6:

i. "Cause" shall mean the occurrence of any of the following: (a) the Grantee's material misconduct or neglect in the performance of his or her duties; (b) the Grantee's commission of any felony; offense punishable by imprisonment in a state or federal penitentiary; any offense, civil or criminal, involving material dishonesty, fraud, moral turpitude or immoral conduct; or any crime of sufficient import to potentially discredit or adversely affect the Company's ability to conduct its business in the normal course; (c) the Grantee's material breach of the Company's written Code of Conduct, as in effect from time to time; (d) the Grantee's commission of any act that results in severe harm to the Company excluding any act taken by the Grantee in good faith that he or she reasonably believed was in the best interests of the Company; or (e) the Grantee's material breach of the Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between Grantee and the Company (the "Confidentiality, Non-Compete and Non-Solicitation Agreement") attached hereto as Attachment A. However, none of the foregoing events or conditions will constitute Cause unless the Company provides Grantee with written notice of the event or condition and thirty (30) days to cure such event or condition (if curable) and the event or condition is not cured within such 30-day period.

ii. "Good Reason" shall mean the occurrence of any of the following events: (a) a diminishment in the scope of the Grantee's duties or responsibilities with the Company; (b) a reduction in the Grantee's current base salary, bonus opportunity or a material reduction in the aggregate benefits or perquisites; or (c) a requirement that the Grantee relocate more than fifty (50) miles from his or her primary place of business as of the date of a Change in Control, or a significant increase in required travel as part of the Grantee's duties and responsibilities with the Company. However, none of the foregoing events or conditions will constitute Good Reason unless (i) Grantee provides the Company with written objection to the event or condition within ninety (90) days following the occurrence thereof, (ii) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving such written objection, and (iii) Grantee resigns his or her employment within thirty (30) days following the expiration of such cure period.

iii. An award will qualify as a "Substitute Award" if it is assumed, substituted or replaced by the Successor with awards that, solely in the discretion of the Compensation Committee of the Board, preserves the existing value of the outstanding Restricted Stock Units at the time of the Change in Control and provides vesting and payout terms that are at least as favorable to Grantee as the vesting and payout terms applicable to the Restricted Stock Units.

iv. "Successor" shall mean the continuing or successor organization, as the case may be, following the Change in Control.

7. Forfeiture. Subject to the provisions of the Plan and Sections 5 and 6 of this Agreement, with respect to the Restricted Stock Units which have not become vested on the date the Grantee's employment is terminated, the Award of Restricted Stock Units shall expire and such unvested Restricted Stock Units shall immediately be forfeited on such date.

8. Employee Confidentiality, Non-Competition and Non-Solicitation Agreement**.** As a condition to the grant of the Restricted Stock Units, Grantee shall have executed and become a party to the Confidentiality, Non-Compete and Non-Solicitation Agreement.

9. No Shareholder Rights. Grantee does not have any rights of a shareholder with respect to the Restricted Stock Units. No dividend equivalents will be earned or paid with regard to the Restricted Stock Units.

10. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party hereto upon any breach or default of any party under this Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party or any provisions or conditions of this Agreement, shall be in writing and shall be effective only to the extent specifically set forth in such writing.

11. Integration. This Agreement and the Plan contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and in the Plan. This Agreement and the Plan supersede all prior agreements and understandings between the parties with respect to its subject matter.

12. Withholding Taxes. Grantee agrees, as a condition of this grant, that Grantee will make acceptable arrangements to pay any withholding or other taxes that may be due as a result of vesting in Restricted Stock Units or delivery of shares acquired under this grant. In the event that the Company determines that any federal, state, local, municipal or foreign tax or withholding payment is required relating to the vesting in Restricted Stock Units or delivery of shares arising from this grant, the Company shall have the right to require such payments from Grantee in the form and manner as provided in the Plan. The Grantee authorizes the Company at its discretion to satisfy its withholding obligations, if any, by one or a combination of the following:

(a) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company; or

(b) withholding from proceeds of the sale of shares of Stock acquired upon settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent); or

(c) withholding in shares of Stock to be issued upon settlement of the Restricted Stock Units; or

(d) by any other method deemed by the Company to comply with applicable laws.

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13. Data Privacy. In order to administer the Plan, the Company may process personal data about Grantee. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about the Grantee such as home address and business address and other contact information, payroll information and any other

information that might be deemed appropriate by the Company to facilitate the administration of the Plan. By accepting this grant, Grantee gives explicit consent to the Company to process any such personal data. Grantee also gives explicit consent to the Company to transfer any such personal data outside the country in which Grantee works or is employed, including, with respect to non-U.S. resident Grantees, to the United States, to transferees who shall include the Company and other persons who are designated by the Company to administer the Plan.

14. Electronic Delivery. The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting this grant Grantee agrees that the Company may deliver the Plan prospectus and the Company's annual report to Grantee in an electronic format. If at any time Grantee would prefer to receive paper copies of these documents, as Grantee is entitled to receive, the Company would be pleased to provide copies. Grantee should contact _____ to request paper copies of these documents.

15. Counterparts; Electronic Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement may be signed by the Company through application of an authorized officer's signature, and may be signed by Grantee through an electronic signature.

16. Governing Law; Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland, without regard to the provisions governing conflict of laws. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Maryland, and agree that such litigation will be conducted in the jurisdiction and venue of the United States District Court for the District of Maryland or, in the event such jurisdiction is not available, any of the appropriate courts of the State of Maryland, and no other courts.

17. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. Grantee Acknowledgment. The Grantee hereby acknowledges receipt of a copy of the Plan. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board, or a Committee thereof, in respect of the Plan, this Agreement and this Award of Restricted Stock Units shall be final and conclusive.

The Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee's own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

UNDER ARMOUR, INC.

By:_____

GRANTEE

_____

Attachment A

[Attachment A, the Form of Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between certain executives and the Company, has been separately filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2013, as Exhibit 10.14]

Exhibit 10.09

OPTION GRANT AGREEMENT

THIS AGREEMENT, made as of this ____ day of _____, 2015, (the "Agreement") between UNDER ARMOUR, INC. (the "Company") and _____ (the "Grantee").

WHEREAS, the Company has adopted the Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan as amended (the "Plan"), which has been delivered or made available to Grantee, to promote the interests of the Company and its stockholders by providing the Company's key employees and others with an appropriate incentive to encourage them to continue in the employ of the Company and to improve the growth and profitability of the Company; and

WHEREAS, the Plan provides for the Grant to Grantees in the Plan of Options to purchase Stock of the Company;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Grant of Options. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, and further subject to the approval by the Company's stockholders of the Plan, the Company hereby grants to the Grantee a non-qualified stock option (the "Option") with respect to _____ shares of Stock of the Company.

2. Grant Date. The Grant Date of the Option hereby granted is _____, 2015.

3. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of this Agreement, as interpreted by the Board, or a Committee thereof, shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

4. Option Price. The exercise price per share of Stock underlying the Option granted hereby is $_____.

5. Vesting. Except as otherwise provided by Section 5(e), the Option shall vest and become exercisable as follows provided the Grantee remains employed by the Company on each such vesting date:

(a) Below Threshold Level: All of the Options shall be forfeited if the combined Operating Income for the Company for 2015 and 2016 is less than $_____; OR

(b) Threshold Level: Forty percent (40%) of the Options (rounded up to the nearest whole share) shall be earned and eligible to vest if the combined Operating Income for the Company for 2015 and 2016 is equal to or greater than $_____ but less than $_____, with such number of Options vesting in three equal annual installments on February 15, 2017 (or if later, the date of the Compensation Committee Certification), February 15, 2018 and February 15, 2019, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares (and the remaining sixty percent (60%) of the Options shall be forfeited); OR

(c) Target Level: Eighty percent (80%) of the Options (rounded up to the nearest whole share) shall be earned and eligible to vest if the combined Operating Income for the Company for 2015 and 2016 is equal to or greater than $_____ but less than $_____, with such number of Options vesting in three equal annual installments on February 15, 2017 (or if later, the date of the

Compensation Committee Certification), February 15, 2018 and February 15, 2019, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares (and the remaining twenty percent (20%) of the Options shall be forfeited); OR

(d) Stretch Level: All of the Options shall be earned and eligible to vest if the combined Operating Income for the Company for 2015 and 2016 is equal to or greater than $_____, with such number of Options vesting in three equal annual installments on February 15, 2017 (or if later, the date of the Compensation Committee Certification), February 15, 2018 and February 15, 2019, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares.

(e) Notwithstanding the foregoing, in the event that the Grantee's employment is terminated upon the occurrence of an event specified in subclauses i. or ii. below, the Options shall vest on the dates specified below, in each case following and subject to the Approval:

i. In the event of the Grantee's death or Disability occurring prior to the Compensation Committee Certification, the Operating Income requirements of the Stretch Level in Section 5(d) of this Agreement shall be automatically deemed satisfied and all of the Options shall immediately vest on such date of termination, and the Options shall terminate one hundred eighty (180) days following such termination of employment; or

ii. In the event of the Grantee's death or Disability occurring following the Compensation Committee Certification, all unvested Options not otherwise forfeited shall immediately vest on such date of termination, and the Options shall terminate one hundred eighty (180) days following such termination of employment.

(f) As used in this Section 5, the following terms have the following meanings:

i. "Compensation Committee Certification" shall mean the certification in writing of the achievement of the combined Operating Income for the Company by the Compensation Committee of the Board, which shall be required prior to the determination of the amount of the Options earned and eligible to vest pursuant to Section 5(a), (b), (c) or (d). Upon such certification, the forfeiture of any Options, as specified in Section 5, shall become immediately effective. Any unforfeited Options shall vest on the dates as specified in Section 5.

ii. "Operating Income" shall mean the Company's income from operations as reported in the Company's audited financial statements prepared in accordance with generally accepted accounting principles. The Compensation Committee's evaluation of the Operating Income shall exclude the impact of any generally accepted accounting principle changes implemented after the date hereof. Further, in accordance with Section 17.3.4 of the Plan, the following impacts of acquisitions shall be excluded from the Compensation Committee's evaluation of the Operating Income: (A) goodwill impairment charges related to the acquired entity or business, (B) non-capitalized deal costs related to any acquisition completed during 2015 or 2016, and (C) the amortization of intangible assets acquired in any acquisition completed during 2015 or 2016.

6. Change in Control.

(a) In the event of a Change in Control in which the Options will not be continued, assumed or substituted with Substitute Awards (as defined below), all of the Options not otherwise forfeited shall vest immediately on the day immediately prior to the date of the Change in Control; provided, however, that in the event of a Change in Control occurring prior to the Compensation Committee Certification, the Operating Income requirements of the Target Level in Section 5(c) of this Agreement shall automatically be deemed satisfied for purposes of determining the number of Options that will be forfeited and will vest.

(b) In the event of a Change in Control (i) occurring prior to the Compensation Committee Certification, and (ii) following which the Options will be continued, assumed or substituted with Substitute Awards, no Compensation Committee Certification shall be required and the Operating Income requirements of the Target Level in Section 5(c) of this Agreement shall be automatically deemed satisfied, with such number of Substitute Awards not otherwise forfeited vesting in three equal annual installments on the dates set forth in Section 5(c) of this Agreement, unless otherwise accelerated pursuant to Section 5(e).

(c) In the event of a Change in Control (i) occurring following the Compensation Committee Certification, and (ii) following which the Options will be continued, assumed or substituted with Substitute Awards, any Substitute Awards not otherwise forfeited shall vest in three equal annual installments on the dates set forth in Section 5(b), 5(c) or 5(d) of this Agreement, as applicable, unless otherwise accelerated pursuant to Section 5(e).

(d) If the Options are substituted with Substitute Awards as set forth in subclauses (b) or (c) of this Section 6, and within 12 months following the Change in Control the Grantee is terminated by the Successor (or an affiliate thereof) without Cause or resigns for Good Reason, the Substitute Awards not otherwise forfeited shall immediately vest upon such termination or resignation; provided, however, that if the Company determines that the Grantee is a “specified employee” within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee’s separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (i) the date that is six months and one day after the date of such separation from employment, or (ii) the date of Grantee’s death.

(e) The following definitions shall apply to this Section 6:

i. “Cause” shall mean the occurrence of any of the following: (a) the Grantee’s material misconduct or neglect in the performance of his or her duties; (b) the Grantee’s commission of any felony; offense punishable by imprisonment in a state or federal penitentiary; any offense, civil or criminal, involving material dishonesty, fraud, moral turpitude or immoral conduct; or any crime of sufficient import to potentially discredit or adversely affect the Company’s ability to conduct its business in the normal course; (c) the Grantee’s material breach of the Company’s written Code of Conduct, as in effect from time to time; or (d) the Grantee’s commission of any act that results in severe harm to the Company excluding any act taken by the Grantee in good faith that he or she reasonably believed was in the best interests of the Company. However, none of the foregoing events or conditions will constitute Cause unless the Company provides Grantee with written notice of the event or condition and thirty (30) days to cure such event or condition (if curable) and the event or condition is not cured within such 30-day period.

ii. “Good Reason” shall mean the occurrence of any of the following events: (a) a diminishment in the scope of the Grantee’s duties or responsibilities with the Company; (b) a reduction in the Grantee’s current base salary, bonus opportunity or a material reduction in the aggregate benefits or perquisites; or (c) a requirement that the Grantee relocate more than fifty (50) miles from his or her primary place of business as of the date of a Change in Control, or a significant increase in required travel as part of the Grantee’s duties and responsibilities with the Company. However, none of the foregoing events or conditions will

constitute Good Reason unless (i) Grantee provides the Company with written objection to the event or condition within ninety (90) days following the occurrence thereof, (ii) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving such written objection, and (iii) Grantee resigns his or her employment within thirty (30) days following the expiration of such cure period.

iii. An award will qualify as a "Substitute Award" if it is assumed, substituted or replaced by the Successor with awards that, solely in the discretion of the Compensation Committee of the Board, preserves the existing value of the outstanding Options at the time of the Change in Control and provides vesting and other material terms that are at least as favorable to Grantee as the vesting and other material terms applicable to the Options.

iv. "Successor" shall mean the continuing or successor organization, as the case may be, following the Change in Control.

7. Term. Unless the Option has earlier terminated pursuant to the provisions of this Agreement or the Plan, all unexercised portions of the Option shall terminate, and all rights to purchase shares of Stock thereunder shall cease, upon the expiration of ten years from the Grant Date.

8. Termination of Service.

(a) Termination of Service for Cause. Unless the Option has earlier terminated pursuant to the provisions of this Agreement or the Plan, all unexercised portions of the Option, whether vested or unvested, will terminate and be forfeited upon a termination of the Grantee's Service for Cause (as defined above).

(b) Termination of Service other than for Cause, Death or Disability. Unless the Option has earlier terminated pursuant to the provisions of this Agreement or the Plan, the vested portion of the Option shall terminate thirty (30) days following the termination of the Grantee's Service for any other reason other than for Cause, death or Disability.

(c) Post Termination Exercise. The Grantee (or the Grantee's guardian, legal representative, executor, personal representative or the person to whom the Option shall have been transferred by will or the laws of descent and distribution, as the case may be) may exercise all or any part of the vested portion of the Option during such post termination of employment period, but not later than the end of the term of the Option. Any portion of the Option which is unvested as of the date of termination of service shall immediately terminate.

9. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party hereto upon any breach or default of any party under this Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party or any provisions or conditions of this Agreement, shall be in writing and shall be effective only to the extent specifically set forth in such writing.

10. Transferability of Options. During the lifetime of the Grantee, only the Grantee or a Family Member who received all or part of the Option, not for value, (or, in the event of legal incapacity or incompetence, the Grantee's guardian or legal representative) may exercise the Option. The Option shall not be assignable or transferable by the Grantee other than to a Family Member, not for value, or by will or the laws of descent and distribution.

11. Manner of Exercise. The vested portion of the Option may be exercised, in whole or in part, by delivering written notice to the Stock Option Administrator designated by the Company. Such notice

may be in electronic or other form as used by the Stock Option Administrator in its ordinary course of business and as may be amended from time to time, and shall:

(a) state the election to exercise the Option and the number of shares in respect of which it is being exercised;

(b) be accompanied by (i) cash, check, bank draft or money order in the amount of the Option Price payable to the order of the Stock Option Administrator designated by the Company; or (ii) certificates for shares of the Company's Stock (together with duly executed stock powers) or other written authorization as may be required by the Company to transfer shares of such Stock to the Company, with an aggregate value equal to the Option Price of the Stock being acquired; or (iii) a combination of the consideration described in clauses (i) and (ii). Grantee may transfer Stock to pay the Option Price for Stock being acquired pursuant to clauses (ii) and (iii) above only if such transferred Stock (x) was acquired by the Grantee in open market transactions, (y) has been owned by Grantee for longer than six months, and (z) the Grantee is not subject to any other restrictions on transferring Company securities pursuant to Company policy or federal law.

In addition to the exercise methods described above and subject to other restrictions which may apply, the Grantee may exercise the Option through a procedure known as a "cashless exercise," whereby the Grantee delivers to the Stock Option Administrator designated by the Company an irrevocable notice of exercise in exchange for the Company issuing shares of the Company's Stock subject to the Option to a broker previously designated or approved by the Company, versus payment of the Option Price by the broker to the Company, to the extent permitted by the Committee or the Company and subject to such rules and procedures as the Committee or the Company may determine. Grantee may elect to satisfy any tax withholding obligations due upon exercise of the Option, in whole or in part, by delivering to the Company shares of Stock otherwise deliverable upon exercise of the Option as provided under the Plan.

12. Integration. This Agreement and the Plan contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and in the Plan. This Agreement and the Plan supersede all prior agreements and understandings between the parties with respect to its subject matter.

13. Data Privacy. In order to administer the Plan, the Company may process personal data about Grantee. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about the Grantee such as home address and business address and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan. By accepting this grant, Grantee gives explicit consent to the Company to process any such personal data. Grantee also gives explicit consent to the Company to transfer any such personal data outside the country in which Grantee works or is employed, including, with respect to non-U.S. resident Grantees, to the United States, to transferees who shall include the Company and other persons who are designated by the Company to administer the Plan.

14. Electronic Delivery. The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting this grant Grantee agrees that the Company may deliver the Plan prospectus and the Company's annual report to Grantee in an electronic format. If at any time Grantee would prefer to receive paper copies of these documents, as Grantee is entitled to receive, the Company would be pleased to provide copies. Grantee should contact _____ to request paper copies of these documents.

15. Counterparts; Electronic Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement may be signed by the Company through application of an authorized officer's signature, and may be signed by Grantee through an electronic signature.

16. Governing Law; Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland, without regard to the provisions governing conflict of laws. For purposes of litigating any dispute that arises under this Award of Options or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Maryland, and agree that such litigation will be conducted in the jurisdiction and venue of the United States District Court for the District of Maryland or, in the event such jurisdiction is not available, any of the appropriate courts of the State of Maryland, and no other courts.

17. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. Grantee Acknowledgment. The Grantee hereby acknowledges receipt of a copy of the Plan. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board, or a Committee thereof, in respect of the Plan, this Agreement and this Award of Options shall be final and conclusive.

The Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee's own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

UNDER ARMOUR, INC.

By:_____

GRANTEE

_____

Exhibit 10.11

RESTRICTED STOCK UNIT GRANT AGREEMENT

THIS AGREEMENT, made as of this ____ day of _____, 2015, (the "Agreement") between UNDER ARMOUR, INC. (the "Company") and _____ (the "Grantee").

WHEREAS, the Company has adopted the Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan, as amended (the "Plan"), which has been delivered or made available to Grantee, to promote the interests of the Company and its stockholders by providing the Company's key employees and others with an appropriate incentive to encourage them to continue in the employ of the Company and to improve the growth and profitability of the Company; and

WHEREAS, the Plan provides for the Grant to Grantees in the Plan of restricted share units for shares of Stock of the Company;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Investment. The Grantee represents that the Restricted Stock Units (as defined herein) are being acquired for investment and not with a view toward the distribution thereof.

2. Grant of Restricted Stock Units. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, and further subject to the approval by the Company's stockholders of the Plan (the "Approval"), the Company hereby grants to the Grantee an Award of Restricted Stock Units for _____ shares of Stock of the Company (collectively, the "Restricted Stock Units"). The Purchase Price for the Restricted Stock Units shall be paid by the Grantee's services to the Company.

3. Grant Date. The Grant Date of the Restricted Stock Units hereby granted is _____, 2015.

4. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of this Agreement, as interpreted by the Board, or a Committee thereof, shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

5. Vesting and Delivery Date. Except as otherwise provided by Section 5(e), the Restricted Stock Units shall vest as follows provided (i) the Grantee remains employed by the Company on each such vesting date, and (ii) the Grantee has duly executed this Agreement prior to the first such vesting date:

(a) Below Threshold Level: All of the Restricted Stock Units shall be forfeited if the combined Operating Income for the Company for 2015 and 2016 is less than $_____; OR

(b) Threshold Level: Forty percent (40%) of the Restricted Stock Units (rounded up to the nearest whole share) shall be earned and eligible to vest if the combined Operating Income for the Company for 2015 and 2016 is equal to or greater than $_____ but less than $_____, with such number of Restricted Stock Units vesting in three equal annual installments on February 15, 2017 (or if later, the date of the Compensation Committee Certification), February 15, 2018 and February 15, 2019, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares (and the remaining sixty percent (60%) of the Restricted Stock Units shall be forfeited); OR

(c) Target Level: Eighty percent (80%) of the Restricted Stock Units (rounded up to the nearest whole share) shall be earned and eligible to vest if the combined Operating Income for the Company for 2015 and 2016 is equal to or greater than $_____ but less than $_____, with such number of Restricted Stock Units vesting in three equal annual installments on February 15, 2017 (or if later, the date of the Compensation Committee Certification), February 15, 2018 and February 15, 2019, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares (and the remaining twenty percent (20%) of the Restricted Stock Units shall be forfeited); OR

(d) Stretch Level: All of the Restricted Stock Units shall be earned and eligible to vest if the combined Operating Income for the Company for 2015 and 2016 is equal to or greater than $_____, with such number of Restricted Stock Units vesting in three equal annual installments on February 15, 2017 (or if later, the date of the Compensation Committee Certification), February 15, 2018 and February 15, 2019, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares.

(e) Notwithstanding the foregoing, in the event that the Grantee's employment is terminated upon the occurrence of an event specified in subclauses i. through iv. below, the Restricted Stock Units shall vest on the dates specified below:

i. In the event of the Grantee's death or Disability occurring prior to the Compensation Committee Certification, the Operating Income requirements of the Stretch Level in Section 5(d) of this Agreement shall be automatically deemed satisfied and all of the Restricted Stock Units shall immediately vest on such date of termination;

ii. In the event of the Grantee's death or Disability occurring following the Compensation Committee Certification, all unvested Restricted Stock Units not otherwise forfeited shall immediately vest on such date of termination;

iii. In the event of the Grantee's Retirement occurring prior to the Compensation Committee Certification, all of the Restricted Stock Units shall expire and immediately be forfeited as of such date of termination; and

iv. In the event of the Grantee's Retirement occurring following the Compensation Committee Certification, all unvested Restricted Stock Units not otherwise forfeited shall immediately vest on such date of termination; provided, however, that if the Company determines that the Grantee is a "specified employee" within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee's separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (i) the date that is six months and one day after the date of such separation from employment or (ii) the date of Grantee's death.

(f) As used in this Section 5, the following terms have the following meanings:

i. "Cause" shall mean the occurrence of any of the following: (a) the Grantee's material misconduct or neglect in the performance of his or her duties; (b) the Grantee's commission of any felony; offense punishable by imprisonment in a state or federal penitentiary; any offense, civil or criminal, involving material dishonesty, fraud, moral turpitude or immoral conduct; or any crime of sufficient import to potentially discredit or adversely affect the Company's ability to conduct its business in the normal course; (c) the Grantee's material breach of the Company's written Code of Conduct, as in effect from time to time; (d) the Grantee's commission of any act that results in severe harm to the Company excluding any act taken by the Grantee in good faith that he or she reasonably believed was in the best interests of the Company; or (e) the Grantee's material breach of the Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between Grantee and the Company (the "Confidentiality, Non-

Compete and Non-Solicitation Agreement") attached hereto as Attachment A. However, none of the foregoing events or conditions will constitute Cause unless the Company provides Grantee with written notice of the event or condition and thirty (30) days to cure such event or condition (if curable) and the event or condition is not cured within such 30-day period.

ii. "Compensation Committee Certification" shall mean the certification in writing of the achievement of the combined Operating Income for the Company by the Compensation Committee of the Board, which shall be required prior to the determination of the amount of the Restricted Stock Units earned and eligible to vest pursuant to Section 5(a), (b), (c) or (d). Upon such certification, the forfeiture of any Restricted Stock Units, as specified in Section 5, shall become immediately effective. Any unforfeited Restricted Stock Units shall vest on the dates as specified in Section 5.

iii. "Operating Income" shall mean the Company's income from operations as reported in the Company's audited financial statements prepared in accordance with generally accepted accounting principles. The Compensation Committee's evaluation of the Operating Income shall exclude the impact of any generally accepted accounting principle changes implemented after the date hereof. Further, in accordance with Section 17.3.4 of the Plan, the following impacts of acquisitions shall be excluded from the Compensation Committee's evaluation of the Operating Income: (A) goodwill impairment charges related to the acquired entity or business, (B) non-capitalized deal costs related to any acquisition completed during 2015 or 2016, and (C) the amortization of intangible assets acquired in any acquisition completed during 2015 or 2016.

iv. "Retirement" shall mean the Grantee's voluntary termination from employment after attainment of age 60 with at least 10 years of continuous service (or after other significant service to the Company, as determined to be satisfied by the Chief Executive Officer and Chief Financial Officer of the Company in writing); provided, however, that the termination was not occasioned by a discharge for Cause.

(g) Unless otherwise specified in Section 5(e)(iv), on the first business day after each vesting date described in Sections 5(b), (c), (d) or (e), as applicable, the Company shall deliver to Grantee the shares of stock to which the Restricted Stock Units relate, in each case following and subject to the Approval.

6. Change in Control.

(a) In the event of a Change in Control in which the Restricted Stock Units will not be continued, assumed or substituted with Substitute Awards (as defined below), all of the Restricted Stock Units not otherwise forfeited shall vest immediately on the day immediately prior to the date of the Change in Control; provided, however, that in the event of a Change in Control occurring prior to the Compensation Committee Certification, the Operating Income requirements of the Target Level in Section 5(c) of this Agreement shall automatically be deemed satisfied for purposes of determining the number of Restricted Stock Units that will be forfeited and will vest.

(b) In the event of a Change in Control (i) occurring prior to the Compensation Committee Certification, and (ii) following which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, no Compensation Committee Certification shall be required and the Operating Income requirements of the Target Level in Section 5(c) of this Agreement shall be automatically deemed satisfied, with such number of Substitute Awards not otherwise forfeited vesting in three equal annual installments on the dates set forth in Section 5(c) of this Agreement, unless otherwise accelerated pursuant to Section 5(e).

(c) In the event of a Change in Control (i) occurring following the Compensation Committee Certification, and (ii) following which the Restricted Stock Units will be continued, assumed or substituted

with Substitute Awards, any Substitute Awards not otherwise forfeited shall vest in three equal annual installments on the dates set forth in Section 5(b), 5(c) or 5(d) of this Agreement, as applicable, unless otherwise accelerated pursuant to Section 5(e).

(d) If the Restricted Stock Units are substituted with Substitute Awards as set forth in subclauses (b) or (c) of this Section 6, and within 12 months following the Change in Control the Grantee is terminated by the Successor (or an affiliate thereof) without Cause (as defined above) or resigns for Good Reason, the Substitute Awards not otherwise forfeited shall immediately vest upon such termination or resignation; provided, however, that if the Company determines that the Grantee is a "specified employee" within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee's separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (i) the date that is six months and one day after the date of such separation from employment, or (ii) the date of Grantee's death.

(e) Unless otherwise specified above in Section 5(e) or 6(d), on the first business day after each vesting date set forth in Sections 6(a), (b), (c) or (d), as applicable, the Company shall deliver to Grantee the shares of stock to which the Restricted Stock Units or Substitute Awards relate.

(f) The following definitions shall apply to this Section 6:

i. "Good Reason" shall mean the occurrence of any of the following events: (a) a diminishment in the scope of the Grantee's duties or responsibilities with the Company; (b) a reduction in the Grantee's current base salary, bonus opportunity or a material reduction in the aggregate benefits or perquisites; or (c) a requirement that the Grantee relocate more than fifty (50) miles from his or her primary place of business as of the date of a Change in Control, or a significant increase in required travel as part of the Grantee's duties and responsibilities with the Company. However, none of the foregoing events or conditions will constitute Good Reason unless (i) Grantee provides the Company with written objection to the event or condition within ninety (90) days following the occurrence thereof, (ii) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving such written objection, and (iii) Grantee resigns his or her employment within thirty (30) days following the expiration of such cure period.

ii. An award will qualify as a "Substitute Award" if it is assumed, substituted or replaced by the Successor with awards that, solely in the discretion of the Compensation Committee of the Board, preserves the existing value of the outstanding Restricted Stock Units at the time of the Change in Control and provides vesting and payout terms that are at least as favorable to Grantee as the vesting and payout terms applicable to the Restricted Stock Units.

iii. "Successor" shall mean the continuing or successor organization, as the case may be, following the Change in Control.

7. Forfeiture. Subject to the provisions of the Plan and Sections 5 and 6 of this Agreement, with respect to the Restricted Stock Units which have not become vested on the date the Grantee's employment is terminated, the Award of Restricted Stock Units shall expire and such unvested Restricted Stock Units shall immediately be forfeited on such date.

8. Employee Confidentiality, Non-Competition and Non-Solicitation Agreement. As a condition to the grant of the Restricted Stock Units, Grantee shall have executed and become a party to the Confidentiality, Non-Compete and Non-Solicitation Agreement.

9. No Shareholder Rights. Grantee does not have any rights of a shareholder with respect to the Restricted Stock Units. No dividend equivalents will be earned or paid with regard to the Restricted Stock Units.

10. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party hereto upon any breach or default of any party under this Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party or any provisions or conditions of this Agreement, shall be in writing and shall be effective only to the extent specifically set forth in such writing.

11. Integration. This Agreement and the Plan contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and in the Plan. This Agreement and the Plan supersede all prior agreements and understandings between the parties with respect to its subject matter.

12. Withholding Taxes. Grantee agrees, as a condition of this grant, that Grantee will make acceptable arrangements to pay any withholding or other taxes that may be due as a result of vesting in Restricted Stock Units or delivery of shares acquired under this grant. In the event that the Company determines that any federal, state, local, municipal or foreign tax or withholding payment is required relating to the vesting in Restricted Stock Units or delivery of shares arising from this grant, the Company shall have the right to require such payments from Grantee in the form and manner as provided in the Plan. The Grantee authorizes the Company at its discretion to satisfy its withholding obligations, if any, by one or a combination of the following:

(a) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company; or

(b) withholding from proceeds of the sale of shares of Stock acquired upon settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent); or

(c) withholding in shares of Stock to be issued upon settlement of the Restricted Stock Units; or

(d) by any other method deemed by the Company to comply with applicable laws.

13. Data Privacy. In order to administer the Plan, the Company may process personal data about Grantee. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about the Grantee such as home address and business address and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan. By accepting this grant, Grantee gives explicit consent to the Company to process any such personal data. Grantee also gives explicit consent to the Company to transfer any such personal data outside the country in which Grantee works or is employed, including, with respect to non-U.S. resident Grantees, to the United States, to transferees who shall include the Company and other persons who are designated by the Company to administer the Plan.

14. Electronic Delivery. The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting this grant Grantee agrees that the Company may deliver the Plan prospectus and the Company's annual report to Grantee in an electronic format. If at any time Grantee would prefer to receive paper copies of these documents, as Grantee is entitled to receive, the Company would be pleased to provide copies. Grantee should contact _____ to request paper copies of these documents.

15. Counterparts; Electronic Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement may be signed by the Company through application of an authorized officer's signature, and may be signed by Grantee through an electronic signature.

16. Governing Law; Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland, without regard to the provisions governing conflict of laws. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Maryland, and agree that such litigation will be conducted in the jurisdiction and venue of the United States District Court for the District of Maryland or, in the event such jurisdiction is not available, any of the appropriate courts of the State of Maryland, and no other courts.

17. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. Grantee Acknowledgment. The Grantee hereby acknowledges receipt of a copy of the Plan. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board, or a Committee thereof, in respect of the Plan, this Agreement and this Award of Restricted Stock Units shall be final and conclusive.

The Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee's own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

UNDER ARMOUR, INC.

By:_____

GRANTEE

_____

Attachment A

[Attachment A, the Form of Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between certain executives and the Company, has been separately filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2013, as Exhibit 10.14]

Exhibit 10.12

RESTRICTED STOCK UNIT GRANT AGREEMENT

FOR NON-US GRANTEES

THIS AGREEMENT, made as of this ____ day of _____, 2015, (the "Agreement") between UNDER ARMOUR, INC. (the "Company") and _____ (the "Grantee").

WHEREAS, the Company has adopted the Second Amended and Restated 2005 Omnibus Long-Term Incentive Plan as amended (the "Plan"), which has been delivered or made available to Grantee, to promote the interests of the Company and its stockholders by providing the Company's key employees and others with an appropriate incentive to encourage them to continue in the employ of the Company and to improve the growth and profitability of the Company; and

WHEREAS, the Plan provides for the Grant to Grantees in the Plan of restricted share units for shares of Stock of the Company;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto hereby agree as follows:

1. Investment. The Grantee represents that the Restricted Stock Units (as defined herein) are being acquired for investment and not with a view toward the distribution thereof.

2. Grant of Restricted Stock Units. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, and further subject to the approval by the Company's stockholders of the Plan (the "Approval"), the Company hereby grants to the Grantee an award (the "Award") of Restricted Stock Units for _____ shares of Stock of the Company (collectively, the "Restricted Stock Units"). The Purchase Price for the Restricted Stock Units shall be paid by the Grantee's services to the Company.

3. Grant Date. The Grant Date of the Restricted Stock Units hereby granted is _____, 2015.

4. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of this Agreement, as interpreted by the Board, or a Committee thereof, shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

5. Vesting and Delivery Date. The Restricted Stock Units shall vest as follows provided (i) the Grantee remains employed by the Company on each such vesting date, and (ii) the Grantee has duly executed this Agreement prior to the first such vesting date:

(a) Below Threshold Level: All of the Restricted Stock Units shall be forfeited if the combined Operating Income for the Company for 2015 and 2016 is less than $_____; OR

(b) Threshold Level: Forty percent (40%) of the Restricted Stock Units (rounded up to the nearest whole share) shall be earned and eligible to vest if the combined Operating Income for the Company for 2015 and 2016 is equal to or greater than $_____ but less than $_____, with such number of Restricted Stock Units vesting in three equal annual installments on February 15, 2017 (or if later, the date of the Compensation Committee Certification), February 15, 2018 and February 15, 2019, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares (and the remaining sixty percent (60%) of the Restricted Stock Units shall be forfeited); OR

(c) Target Level: Eighty percent (80%) of the Restricted Stock Units (rounded up to the nearest whole share) shall be earned and eligible to vest if the combined Operating Income for the Company for 2015 and 2016 is equal to or greater than $_____ but less than $_____, with such number of Restricted Stock Units vesting in three equal annual installments on February 15, 2017 (or if later, the date of the Compensation Committee Certification), February 15, 2018 and February 15, 2019, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares (and the remaining twenty percent (20%) of the Restricted Stock Units shall be forfeited); OR

(d) Stretch Level: All of the Restricted Stock Units shall be earned and eligible to vest if the combined Operating Income for the Company for 2015 and 2016 is equal to or greater than $_____, with such number of Restricted Stock Units vesting in three equal annual installments on February 15, 2017 (or if later, the date of the Compensation Committee Certification), February 15, 2018 and February 15, 2019, with the first two installments rounded up or down to the nearest whole share and the third installment including the remaining shares.

(e) Notwithstanding the foregoing, (x) in the event of Grantee's death or Disability occurring prior to the Compensation Committee Certification, the Operating Income requirements of the Stretch Level in Section 5(d) of this Agreement shall be automatically deemed satisfied and all of the Restricted Stock Units shall immediately vest on such date of termination, and (y) in the event of Grantee's death or disability occurring following the Compensation Committee Certification, all unvested Restricted Stock Units not otherwise forfeited shall immediately vest on such date of termination.

(f) As used in this Section 5, the following terms have the following meanings:

i. "Compensation Committee Certification" shall mean the certification in writing of the achievement of the combined Operating Income for the Company by the Compensation Committee of the Board, which shall be required prior to the determination of the amount of the Restricted Stock Units earned and eligible to vest pursuant to Section 5(a), (b), (c) or (d). Upon such certification, the forfeiture of any Restricted Stock Units, as specified in Section 5, shall become immediately effective. Any unforfeited Restricted Stock Units shall vest on the dates as specified in Section 5

ii. "Operating Income" shall mean the Company's income from operations as reported in the Company's audited financial statements prepared in accordance with generally accepted accounting principles. The Compensation Committee's evaluation of the Operating Income shall exclude the impact of any generally accepted accounting principle changes implemented after the date hereof. Further, in accordance with Section 17.3.4 of the Plan, the following impacts of acquisitions shall be excluded from the Compensation Committee's evaluation of the Operating Income: (A) goodwill impairment charges related to the acquired entity or business, (B) non-capitalized deal costs related to any acquisition completed during 2015 or 2016, and (C) the amortization of intangible assets acquired in any acquisition completed during 2015 or 2016.

(g) On the first business day after each vesting date described in Sections 5(b), (c), (d) or (e), as applicable, the Company shall deliver to Grantee the shares of stock to which the Restricted Stock Units relate, in each case following and subject to the Approval.

6. Change in Control.

(a) In the event of a Change in Control in which the Restricted Stock Units will not be continued, assumed or substituted with Substitute Awards (as defined below), all of the Restricted Stock Units not otherwise forfeited shall vest immediately on the day immediately prior to the date of the Change in Control; provided, however, that in the event of a Change in Control occurring prior to the Compensation Committee Certification, the Operating Income requirements of the Target Level in Section 5(c) of this Agreement shall automatically be deemed satisfied for purposes of determining the number of Restricted Stock Units that will be forfeited and will vest.

(b) In the event of a Change in Control (i) occurring prior to the Compensation Committee Certification, and (ii) following which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, no Compensation Committee Certification shall be required and the Operating Income requirements of the Target Level in Section 5(c) of this Agreement shall be automatically deemed satisfied, with such number of Substitute Awards not otherwise forfeited vesting in three equal annual installments on the dates set forth in Section 5(c) of this Agreement, unless otherwise accelerated pursuant to Section 5(e).

(c) In the event of a Change in Control (i) occurring following the Compensation Committee Certification, and (ii) following which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, any Substitute Awards not otherwise forfeited shall vest in three equal annual installments on the dates set forth in Section 5(b), 5(c) or 5(d) of this Agreement, as applicable, unless otherwise accelerated pursuant to Section 5(e).

(d) If the Restricted Stock Units are substituted with Substitute Awards as set forth in subclauses (b) or (c) of this Section 6, and within 12 months following the Change in Control the Grantee is terminated by the Successor (or an affiliate thereof) without Cause or resigns for Good Reason, the Substitute Awards not otherwise forfeited shall immediately vest upon such termination or resignation.

(e) On the first business day after each vesting date set forth in Sections 6(a), (b), (c) or (d), as applicable, the Company shall deliver to the Grantee the shares of stock to which the Restricted Stock Units or Substitute Awards relate.

(f) The following definitions shall apply to this Section 6:

i. "Cause" shall mean the occurrence of any of the following: (a) the Grantee's material misconduct or neglect in the performance of his or her duties; (b) the Grantee's commission of any felony; offense punishable by imprisonment in a state or federal penitentiary; any offense, civil or criminal, involving material dishonesty, fraud, moral turpitude or immoral conduct; or any crime of sufficient import to potentially discredit or adversely affect the Company's ability to conduct its business in the normal course; (c) the Grantee's material breach of the Company's written Code of Conduct, as in effect from time to time; (d) the Grantee's commission of any act that results in severe harm to the Company excluding any act taken by the Grantee in good faith that he or she reasonably believed was in the best interests of the Company; or (e) the Grantee's material breach of the Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between Grantee and the Company (the "Confidentiality, Non-Compete and Non-Solicitation Agreement") attached hereto as Attachment A or any other similar agreement entered into by the Grantee and the Company or any subsidiary thereof. However, none of the foregoing events or conditions will constitute Cause unless the Company provides Grantee with written notice of the event or condition and thirty (30) days to cure such event or condition (if curable) and the event or condition is not cured within such 30-day period.

ii. "Good Reason" shall mean the occurrence of any of the following events: (a) a diminishment in the scope of the Grantee's duties or responsibilities with the Company; (b) a reduction in the Grantee's current base salary, bonus opportunity or a material reduction in

the aggregate benefits or perquisites; or (c) a requirement that the Grantee relocate more than fifty (50) miles from his or her primary place of business as of the date of a Change in Control, or a significant increase in required travel as part of the Grantee's duties and responsibilities with the Company. However, none of the foregoing events or conditions will constitute Good Reason unless (i) Grantee provides the Company with written objection to the event or condition within ninety (90) days following the occurrence thereof, (ii) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving such written objection, and (iii) Grantee resigns his or her employment within thirty (30) days following the expiration of such cure period.

iii. An award will qualify as a "Substitute Award" if it is assumed, substituted or replaced by the Successor with awards that, solely in the discretion of the Compensation Committee of the Board, preserves the existing value of the outstanding Restricted Stock Units at the time of the Change in Control and provides vesting and payout terms that are at least as favorable to Grantee as the vesting and payout terms applicable to the Restricted Stock Units.

iv. "Successor" shall mean the continuing or successor organization, as the case may be, following the Change in Control.

7. Forfeiture. Subject to the provisions of the Plan and Sections 5 and 6 of this Agreement, with respect to the Restricted Stock Units which have not become vested on the date the Grantee's employment is terminated, the Award of Restricted Stock Units shall expire and such unvested Restricted Stock Units shall immediately be forfeited on such date.

For purposes of the Award, the Grantee's employment will be considered terminated as of the date the Grantee is no longer actively providing services to the Company or any Subsidiary or Affiliate, as applicable (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or rendering services or the terms of the Grantee's employment or service agreement, if any). Unless otherwise determined by the Company, the Grantee's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, the Grantee's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Grantee is employed or rendering services or the terms of the Grantee's employment or service agreement, if any). The Committee shall have the exclusive discretion to determine when the Grantee is no longer actively providing services for purposes of his or her Award (including whether the Grantee may still be considered to be providing services while on a leave of absence).

8. Obligation to Continue Employment. Neither the Company nor any Subsidiary or Affiliate is obligated by or as a result of the Plan or this Agreement to continue the Grantee's status as an employee and neither the Plan nor this Agreement shall interfere in any way with the right of the Company or any Subsidiary or Affiliate to terminate the employment status of the Grantee at any time.

9. Employee Confidentiality, Non-Competition and Non-Solicitation Agreement. As a condition to the grant of the Restricted Stock Units, Grantee shall have executed and become a party to the Confidentiality, Non-Compete and Non-Solicitation Agreement.

10. No Shareholder Rights. Grantee does not have any rights of a shareholder with respect to the Restricted Stock Units. No dividend equivalents will be earned or paid with regard to the Restricted Stock Units.

11. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party hereto upon any breach or default of any party under this Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring nor shall any

waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party or any provisions or conditions of this Agreement, shall be in writing and shall be effective only to the extent specifically set forth in such writing.

12. Integration. This Agreement and the Plan contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and in the Plan. This Agreement and the Plan supersede all prior agreements and understandings between the parties with respect to its subject matter.

13. Withholding Taxes. The Grantee acknowledges that, regardless of any action taken by the Company or, if different, the Subsidiary or Affiliate for which the Grantee is a Service Provider (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items") is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of any shares of Stock acquired under the Plan and the receipt of any dividends or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee is subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, the Grantee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations, if any, with regard to all Tax-Related Items by one or a combination of the following:

(a) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; or

(b) withholding from proceeds of the sale of shares of Stock acquired upon settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent); or

(c) withholding in shares of Stock to be issued upon settlement of the Restricted Stock Units; or

(d) by any other method deemed by the Company to comply with applicable laws.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case the Grantee will receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in shares of Stock. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, for tax purposes, the Grantee is deemed to have been issued the full number of shares subject to the vested Restricted Stock Units, notwithstanding that a number of the shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, the Grantee agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Stock or the proceeds of the sale of shares of Stock if the Grantee fails to comply with his or her obligations in connection with the Tax-Related Items.

14. Nature of Grant. In accepting the Award, the Grantee acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units have been granted in the past;

(c) all decisions with respect to future restricted stock units or other grants, if any, will be at the sole discretion of the Company;

(d) the Grantee is voluntarily participating in the Plan;

(e) the Award and any shares of Stock acquired under the Plan are not intended to replace any pension rights or compensation;

(f) the Award and any shares of Stock acquired under the Plan, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or payments or welfare benefits or similar payments;

(g) the future value of the shares of Stock underlying the Award is unknown, indeterminable, and cannot be predicted with certainty;

(h) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from the termination of the Grantee's status as an employee (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or rendering services or the terms of the Grantee's employment agreement, if any), and in consideration of the grant of the Restricted Stock Units to which the Grantee is otherwise not entitled, the Grantee irrevocably agrees never to institute any claim against the Company or any other Subsidiary or Affiliate, waives his or her ability, if any, to bring any such claim, and releases the Company and any other Subsidiary or Affiliate from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Grantee shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(i) unless otherwise provided in the Plan or by the Company in its discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Stock; and

(j) neither the Company nor any other Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the Award or of any amounts due to the Grantee pursuant to settlement of the Award or the subsequent sale of any shares of Stock acquired upon settlement.

15. Data Privacy. ***The Grantee hereby voluntarily consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Agreement and any other Award grant materials by and among, as applicable, the Company and any Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan.***

The Grantee understands that the Company and any Subsidiary or Affiliate may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all awards or any other entitlement to shares of Stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

The Grantee understands that Data will be transferred to the stock plan service provider selected by the Company, which is assisting the Company with the implementation, administration and management of the Plan. The Grantee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting Human Resources at Totalrewards@underarmour.com. The Grantee authorizes the Company, the stock plan service provider and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purposes of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Grantee understands that he or she is providing the consents herein on a purely voluntary basis. If the Grantee does not consent, or if the Grantee later seeks to revoke his or her consent, his or her employment status or service and career with the Company will not be adversely affected; the only adverse consequence of refusing or withdrawing consent is that the Company would not be able to grant the Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, the Grantee understands that refusing or withdrawing his or her consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that he or she may contact Human Resources at Totalrewards@underarmour.com.

16. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

17. Counterparts; Electronic Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement may be signed by the Company through application of an authorized officer's signature, and may be signed by Grantee through an electronic signature.

18. Governing Law; Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland, without regard to the provisions governing conflict of laws. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Maryland,

and agree that such litigation will be conducted in the jurisdiction and venue of the United States District Court for the District of Maryland or, in the event such jurisdiction is not available, any of the appropriate courts of the State of Maryland, and no other courts.

19. Appendix. Notwithstanding any provisions in this Award Agreement, the Award shall be subject to any special terms and conditions set forth in any Appendix to this Award Agreement for the Grantee's country. Moreover, if the Grantee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Award Agreement.

20. Insider Trading Restrictions/Market Abuse Laws. The Grantee acknowledges that, depending on the Grantee's country of residence, the Grantee may be subject to insider trading restrictions and/or market abuse laws, which may affect the Grantee's ability to acquire or sell shares of Stock or rights to shares of Stock (*e.g.*, Restricted Stock Units) under the Plan during such times as the Grantee is considered to have "inside information" regarding the Company (as defined by the laws in the Grantee's country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Grantee acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Grantee is advised to speak to his or her personal advisor on this matter.

21. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the Award and on any shares of Stock issued upon settlement of the Award, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

22. Language. If the Grantee has received this Agreement, or any other document related to the Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control

23. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

24. Grantee Acknowledgment. The Grantee hereby acknowledges receipt of a copy of the Plan. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board, or a Committee thereof, in respect of the Plan, this Agreement and this Award of Restricted Stock Units shall be final and conclusive.

The Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee's own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

UNDER ARMOUR, INC.

By:_____

GRANTEE

_____

APPENDIX

TO THE

RESTRICTED STOCK UNIT AWARD AGREEMENT
FOR NON-U.S. EMPLOYEES

Terms and Conditions

This Appendix includes additional terms and conditions that govern the Award if the Grantee works and/or resides in one of the countries listed below. If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working and/or residing (or is considered as such for local law purposes), or the Grantee transfers employment to a different country after the Award is granted, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will apply to the Grantee.

Notifications

This Appendix also includes information regarding certain other issues of which the Grantee should be aware with respect to the Grantee's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2014. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Grantee not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out-of-date at the time the Grantee vests in the Restricted Stock Units or sells any shares of Stock issued at settlement of the Award.

In addition, the information contained herein is general in nature and may not apply to the Grantee's particular situation. As a result, the Company is not in a position to assure the Grantee of any particular result. Accordingly, the Grantee is strongly advised to seek appropriate professional advice as to how the relevant laws in the Grantee's country may apply to the Grantee's individual situation.

If the Grantee is a citizen or resident of a country other than the one in which the Grantee is currently working and/or residing (or is considered as such for local law purposes), or if the Grantee transfers employment to a different country after the Award is granted, the notifications contained in this Appendix may not be applicable to the Grantee in the same manner.

Capitalized terms used but not defined in this Appendix shall have the same meanings assigned to them in the Plan and the Award Agreement.

AUSTRALIA

Notifications

Securities Law Information. If the Grantee acquires shares of Stock under the Plan and offers the shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. The Grantee should consult with his or her personal legal advisor before making any such offer in Australia.

The Company has applied to the Australian Securities and Investment Commission ("ASIC") for exemptive relief from certain filings with the ASIC that otherwise would be required under the Australian Corporations Act of 2001 ("Act") in connection with the grants of Restricted Stock Units under the Plan. Under Armour fully expects that such relief will be granted. However, if for any reason such relief is not obtained, Grantee understands and acknowledges that Under Armour may, in its sole discretion, take such action with respect to the Award of Restricted Stock Units made to Grantee is practicable to comply with the relevant provisions of the Act.

BRAZIL

Terms and Conditions

Compliance with Law. The Grantee must comply with applicable Brazilian laws and is responsible for paying any and all applicable taxes associated with the settlement of the Award, the receipt of any dividends, and the sale of shares of Stock acquired under the Plan.

Notifications

Exchange Control Information. If the Grantee is a resident or is domiciled in Brazil, he or she will be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights equals or exceeds US$100,000. Assets and rights that must be reported include any shares of Stock acquired under the Plan. Foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil.

CANADA

Terms and Conditions

Nature of Award. The following provision replaces the second paragraph of Section 7 of the "Forfeiture" section of the Award Agreement:

For purposes of the Award, Grantee's status as Service Provider will be considered terminated as of the date Grantee is no longer actively providing services to the Company or one of its Subsidiaries or Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Grantee is employed or rendering services or the terms of Grantee's employment or service agreement, if any); unless otherwise expressly provided in this Agreement or determined by the Company, Grantee's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of the earlier of (a) the date on which Grantee receives notice of termination of Grantee's status as Service Provider, or (b) the date Grantee is no longer actively providing services to the Company or one of its Subsidiaries or Affiliates (*i.e.*, the period during which Grantee is considered employed would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where Grantee is employed or rendering services or the terms of Grantee's employment or service agreement, if any); the Committee shall have the exclusive discretion to determine when Grantee is no longer actively providing services for purposes of Grantee's Award (including whether Grantee may still be considered to be providing services while on a leave of absence).

The following provisions apply if Grantee is in Quebec:

Consent to Receive Information in English. The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir expressement souhaité que la convention [“Award Agreement”], ainsi que tous les documents, avis et procédures judiciaries, éxecutés, donnés ou intentés en vertu de, ou lié, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.

Data Privacy. The following provision supplements the “Data Privacy” section of the Award Agreement:

Grantee hereby authorizes the Company and the Company's representatives to discuss and obtain all relevant information from all personnel, professional or non-professional, involved in the administration of the Plan. Grantee further authorizes the Company and any Subsidiary or Affiliate and the Company's designated broker/third party administrator for the Plan (or such other stock plan service provider that may be selected by the Company to assist with the implementation, administration and management of the Plan) to disclose and discuss such information with their advisors. Grantee also authorizes the Company and/or any Subsidiary or Affiliate to record such information and to keep such information in Grantee's employment file.

Notifications

Securities Law Information. Grantee is permitted to sell shares of Stock acquired through the Plan through the designated broker appointed under the Plan, if any (or any other broker acceptable to the Company), provided the resale of shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed. The shares of Stock are currently listed on the New York Stock Exchange.

Foreign Asset/Account Reporting Information

Foreign property, including shares and rights to receive shares of Stock (e.g., Restricted Stock Units) of a non-Canadian company held by a Canadian resident must generally be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds $100,000 at any time during the year. Thus, Restricted Stock Units must be reported (generally at a nil cost) if the $100,000 cost threshold is exceeded because other foreign property is held by the Grantee. When shares of Stock are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB would ordinarily equal the fair market value of the shares of Stock at the time of acquisition, but if the Grantee owns other shares of Stock of the same company, this ACB may have to be averaged with the ACB of the other shares of Stock. The form must be filed by April 30th of the following year. It is Grantee's responsibility to comply with applicable reporting obligations.

CHILE

Notifications

Exchange Control and Tax Reporting Information. Grantee must comply with the exchange control and tax reporting requirements in Chile in connection with the acquisition and sale of shares of Stock under the Plan.

Grantee is not required to repatriate funds obtained from the sale of shares of Stock to Chile. However, if Grantee decides to repatriate such funds to Chile, Grantee must do so through the Formal Exchange Market (*i.e.*, a commercial bank or registered foreign exchange office) if the funds exceed US$10,000.

If Grantee's aggregate investments held outside of Chile exceed US$5,000,000 (including the investments made under the Plan), Grantee must report the status of such investments annually to the Central Bank, using Annex 3.1 of Chapter XII of the Foreign Exchange Regulations.

If Grantee holds shares of Stock acquired under the Plan outside of Chile, Grantee must report the details of these investments on annual basis to the Chilean Internal Revenue Service ("CIRS") by filing Tax Form 1851, "Annual Sworn Statement Regarding Investments Held Abroad." Furthermore, if Grantee wishes to receive credit against Grantee's Chilean income taxes for taxes paid abroad, Grantee must report the payment of taxes abroad to the CIRS by filing Tax Form 1853, "Annual Sworn Statement Regarding Credits for Taxes Paid Abroad." These statements must be submitted electronically through the CIRS website (www.sii.cl) before March 15 of each year.

Securities Law Information. Neither the Restricted Stock Units nor the shares of Stock issued in connection with the Restricted Stock Units will be registered under the Registry of Securities held by the Chilean Superintendence of Securities ("CSS") nor are they under the control or supervision of the CSS.

CHINA

Terms and Conditions

The following provisions will apply to Grantees who are subject to PRC exchange control restrictions, as determined by the Company in its sole discretion:

Exchange Control Information. Grantee understands and agrees that, to facilitate compliance with exchange control laws in China, Grantee may be required to immediately repatriate to China the cash proceeds from the sale of any shares of Stock acquired at vesting of the Restricted Stock Units and any dividends received in relation to the shares. Grantee further understands that, under local law, such repatriation of the cash proceeds may need to be effectuated through a special exchange control account established by the Company or any Subsidiary or Affiliate, and Grantee hereby consents and agrees that the proceeds from the sale of Shares acquired under the Plan and any dividends received in relation to the Shares may be transferred to such special account prior to being delivered to Grantee.

The proceeds may be paid to Grantee in U.S. dollars or local currency at the Company's discretion. In the event the proceeds are paid to Grantee in U.S. dollars, Grantee understands that Grantee will be required to set up a U.S. dollar bank account in China and provide the bank account details to the Company and/or any Subsidiary or Affiliate, as applicable, so that the proceeds may be deposited into this account.

Grantee agrees to bear any currency fluctuation risk between the time the shares of Stock are sold or dividends are paid and the time the proceeds are distributed to Grantee through any such special account.

Grantee further agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

Foreign Asset/Account Reporting Information. Effective from January 1, 2014, PRC residents are required to report to SAFE details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with non-PRC residents, either directly or through financial institutions. Under these new rules, Grantee may be subject to reporting obligations for the shares or awards, including stock options and restricted stock units, acquired under the Plan and Plan-related transactions. It is the Grantee's responsibility to comply with this reporting obligation and the Grantee should consult his or her personal tax advisor in this regard.

DENMARK

Notifications

Exchange Control Information. If Grantee establishes accounts holding shares of Stock or cash outside Denmark, Grantee must report the account to the Danish Tax Administration. The form which should be used in this respect can be obtained from a local bank. (Please note that these obligations are separate from and in addition to the obligations described below.)

Securities/Tax Reporting Information. If Grantee holds shares of Stock acquired under the Plan in a brokerage account with a broker or bank outside Denmark, Grantee is required to inform the Danish Tax Administration about the account. For this purpose, Grantee must file a Form V (Erklaering V) with the Danish Tax Administration. The Form V must be signed both by Grantee and by the applicable broker or bank where the account is held. By signing the Form V, the broker or bank undertakes to forward

information to the Danish Tax Administration concerning the shares of Stock in the account without further request each year. By signing the Form V, Grantee authorizes the Danish Tax Administration to examine the account. A sample of the Form V can be found at the following website: www.skat.dk/SKAT.aspx?oId=90030&vId=0.

In addition, if Grantee opens a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, Grantee is also required to inform the Danish Tax Administration about this account. To do so, Grantee must also file a Form K (Erklaering K) with the Danish Tax Administration. The Form K must be signed both by Grantee and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the content of the account. By signing the Form K, Grantee authorizes the Danish Tax Administration to examine the account. A sample of Form K can be found at the following website: www.skat.dk/SKAT.aspx?oId=73346&vId=0.

HONG KONG

Terms and Conditions

Restricted Stock Units Payable Only in Shares. Notwithstanding any discretion in the Plan or anything to the contrary in the Award Agreement, the grant of Restricted Stock Units does not provide any right for Grantee to receive a cash payment, and the Restricted Stock Units are payable in shares of Stock only.

Securities Law Information. *WARNING: The grant of Restricted Stock Units under the terms of the Award Agreement and the Plan and the issuance of shares of Stock at vesting of Restricted Stock Units do not constitute a public offering of securities, and they are available only to Service Providers.*

Please be aware that the contents of the Award Agreement, including this Appendix, and the Plan have not been reviewed by any regulatory authority in Hong Kong. Grantee is advised to exercise caution in relation to the right to acquire shares of Stock at vesting of the Restricted Stock Units, or otherwise, under the Plan. If Grantee is in any doubt about any of the contents of the Award Agreement, including this Appendix or the Plan, Grantee should obtain independent professional advice.

Sale of Shares. By accepting the Restricted Stock Units, Grantee agrees that in the event that the Restricted Stock Units vest and shares of Stock are issued to Grantee within six months of the Date of Grant, Grantee agrees that Grantee will not dispose of any shares acquired prior to the six-month anniversary of the Date of Grant.

MEXICO

Term and Conditions

No Entitlement or Claims for Compensation. These provisions supplement Section 14 of the Award Agreement:

Modification. By accepting the Restricted Stock Units, Grantee understands and agrees that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement. The Award of Restricted Stock Units the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 1020 Hull Street, Baltimore, MD 21230, U.S.A., is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of shares of Stock does not, in any way, establish an employment relationship between Grantee and the Company or

any of its Subsidiaries or Affiliates since Grantee is participating in the Plan on a wholly commercial basis and the sole employer is UA Mexico Services, S. De R.I. C.V., nor does it establish any rights between Grantee and the employer.

Plan Document Acknowledgment. By accepting the Award of Restricted Stock Units, Grantee acknowledges that Grantee has received copies of the Plan, has reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement.

In addition, by accepting the Agreement, Grantee further acknowledges that Grantee has read and specifically and expressly approved the terms and conditions in the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and any Subsidiary or Affiliate are not responsible for any decrease in the value of the shares of Stock underlying the Restricted Stock Units.

Finally, Grantee hereby declares that Grantee does not reserve any action or right to bring any claim against the Company or any of its Subsidiaries or Affiliates for any compensation or damages as a result of Grantee's participation in the Plan and therefore grants a full and broad release to the Company and any Subsidiary or Affiliate, as applicable, with respect to any claim that may arise under the Plan.

Spanish Translation

Sin derecho a compensación o reclamaciones por compensación. *Estas disposiciones complementan el Contrato:*

Modificación**.** *Al aceptar las Unidades de Acciones Restringidas, el recipiente del premio <"Grantee"> entiende y acuerda que cualquier modificación al Plan o al Contrato o su terminación no constituirá un cambio o perjuicio a los términos y condiciones de empleo.*

Declaración de Política. *El Otorgamiento de Unidades de Acciones Restringidas que la Compañía está haciendo de conformidad con el Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier momento, sin responsabilidad alguna.*

La Compañía, con oficinas registradas ubicadas en 1020 Hull Street, Baltimore, MD 21230, EE.UU. es únicamente responsable de la administración del Plan y la participación en el Plan y la adquisición de Acciones no establece, de forma alguna, una relación de trabajo entre el "Grantee" y la Compañía, ya que el "Grantee" participa en el Plan de una forma totalmente comercial y el único patrón es UA Mexico Services, S. De R.I. C.V. y tampoco establece ningún derecho entre el "Grantee" y el Patrón.

Reconocimiento del Documento del Plan. *Al aceptar el Otorgamiento de las Unidades de Acciones Restringidas, el "Grantee" reconoce que el "Grantee" ha recibido copias del Plan, ha revisado el Plan y el Contrato en su totalidad y entiende y acepta completamente todas las disposiciones contenidas en el Plan y en el Contrato.*

Adicionalmente, al aceptar el Contrato, el "Grantee" reconoce que el "Grantee" ha leído y específica y expresamente ha aprobado los términos y condiciones del Contrato, en el que claramente se ha descrito y establecido que: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el Plan es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como su Sociedad Controlante, Subsidiaria no son responsables por cualquier disminución en el valor de las Acciones subyacentes a las Unidades de Acciones Restringidas.

Finalmente, el "Grantee" en este acto declara que el "Grantee" no se reserva ninguna acción o derecho para interponer cualquier demanda o reclamación en contra de la Compañía por compensación, daño o

perjuicio alguno como resultado de su participación en el Plan y, por lo tanto, otorga el más amplio finiquito al Patrón, la Compañía, así como su Sociedad Controlante, Subsidiaria con respecto a cualquier demanda o reclamación que pudiera surgir en virtud del Plan.

NETHERLANDS

Notifications

Securities Law Information. The Grantee should be aware of Dutch insider-trading rules, which may impact the sale of shares of Stock acquired under the Plan. In particular, the Grantee may be prohibited from effectuating certain transactions involving shares of Stock during the period in which Grantee has "inside information" regarding the Company.

By accepting the Restricted Stock Units and participating in the Plan, Grantee acknowledges having read and understood this Securities Law Information and further acknowledges that it is Grantee's responsibility to comply with the following Dutch insider-trading rules:

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has “inside information” related to an issuing company is prohibited from effectuating a transaction in securities in or from the Netherlands. “Inside information” is defined as knowledge of details concerning the issuing company to which the securities relate, which is not public and which, if published, would reasonably be expected to affect the stock price, regardless of the development of the price. The insider could be a service provider in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, certain service providers working in the Netherlands (possibly including the Grantee) may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when the Grantee had such inside information.

PANAMA

Notifications

Securities Law Notification. The Restricted Stock Units and any shares of Stock which may be issued to Grantee upon vesting and settlement of the Restricted Stock Units are not subject to registration under Panamanian Law as they are not intended for the public, but solely for Grantee’s benefit.

UNITED KINGDOM

Terms and Conditions

Withholding Taxes. The following provisions supplement Section 13 of the Award Agreement:

Grantee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to account to HM Revenue & Customs (“HMRC”) with respect to the event giving rise to the Tax-Related Items (the “Chargeable Event”) that cannot be satisfied by the means previously described. If payment or withholding of income tax is not made within ninety (90) days after the Chargeable Event, or, if the Chargeable Event occurs on or after April 6, 2014, within 90 days after the end of the UK tax year in which the Chargeable Event occurs or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, (the “Due Date”), Grantee agrees that the amount of any uncollected income tax shall (assuming Grantee is not a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended)), constitute a loan owed by Grantee to the employer, effective on the Due Date. The loan will bear interest at the then-current official rate of Her Majesty’s Revenue and Customs and it will be immediately due and repayable by the Grantee, and the Company or the employer may recover it at any time thereafter by any of the means referred to in Section 13 of the Award Agreement.

Notwithstanding the foregoing, if the Grantee is a director or executive officer of the Company (within the meaning of Section 13(k) of the 1934 Act), the Grantee will not be eligible for such a loan to cover the unpaid income tax. In the event that the Grantee is such a director or executive officer and the income tax is not collected from or paid by the Grantee by the Due Date, the amount of any uncollected taxes will constitute a benefit to the Grantee on which additional income tax and national insurance contributions ("NICs") will be payable. The Grantee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying to the Company or the employer, as applicable, any employee NICs due on this additional benefit, which the Company or the employer may recover from the Grantee by any of the means referred to in Section 13 of the Award Agreement.

Attachment A

[Attachment A, the Form of Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between certain executives and the Company, has been separately filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2013, as Exhibit 10.14]

Exhibit 10.15

UNDER ARMOUR, INC.

2015 NON-EMPLOYEE DIRECTOR COMPENSATION PLAN

WHEREAS, Under Armour, Inc. (the "Company") has utilized various arrangements pursuant to which Non-Employee Directors of the Company have been compensated for their services as a director of the Company;

WHEREAS, the Board of Directors of the Company (the "Board") wishes to align director compensation more directly with the shareholder's interest;

WHEREAS, the Board has now determined the terms and conditions of the Under Armour, Inc. 2015 Non-Employee Director Compensation Plan (the "Plan") and wishes to formally establish the Plan;

NOW, THEREFORE, the Company through this instrument establishes the Under Armour, Inc. 2015 Non-Employee Director Compensation Plan, in accordance with the terms as set forth herein, which plan is an amendment and restatement of the 2013 Non-Employee Director Compensation Plan.

Section 1 Interpretation

1.1 Purposes

The purposes of the Plan are:

(a) to develop a mechanism to compensate Non-Employee Directors for their services to the Company; and

(b) to provide a financial incentive that will help the Company to attract and retain highly qualified individuals to serve as Non-Employee Directors of the Company.

1.2 Definitions

Wherever used in the Plan, unless otherwise defined, the following terms shall have the meanings set forth below:

(a) **"Affiliate"** means a subsidiary, division or affiliate of the Company, as determined in accordance with Section 414(b), (c) or (m) of the Code.

(b) **"Award Agreement"** means an award agreement by and between a Non-Employee Director and the Company, entered into pursuant to the terms of the Omnibus Incentive Plan.

(c) **"Audit Committee"** means the Audit Committee of the Board of Directors.

(d) **"Board"** or **"Board of Directors"** means those individuals who serve from time to time as the Board of Directors of the Company.

(e) **"Change in Control"** has the meaning given to it in the Omnibus Incentive Plan.

(f) **"Code"** means the United States Internal Revenue Code of 1986, as amended.

(g) **"Committee"** means the committee of the Board of Directors to which the Board of Directors has delegated power to act under or pursuant to the provisions of the Plan, initially the Compensation Committee.

(h) **"Committee Chair"** means the individual who chairs a committee or a sub-committee of the Board to which the Board has delegated authority with respect to certain functions, including the Audit Committee, the Compensation Committee, the Nominating and Governance Committee and any other committee or sub-committee established by the Board.

(i) **"Compensation Committee"** means the Compensation Committee of the Board of Directors.

(j) **"Company"** means Under Armour, Inc., a Maryland corporation, and any successor to all or substantially all of its assets or business.

(k) **"Disability"** has the meaning given to it in the Omnibus Incentive Plan.

(l) **"Deferred Stock Unit"** means an interest credited under the DSU Plan. Each DSU represents the Company's obligation to issue one share of common stock in accordance with the terms of the DSU Plan.

(m) **"DSU Plan"** means the Under Armour, Inc. 2006 Non-Employee Directors Deferred Stock Unit Plan, as amended and restated from time to time.

(n) **"Effective Date"** of the Plan is January 1, 2015.

(o) "**Grant Date**" means the date of an annual shareholder meeting; provided however, that with respect to an Initial Restricted Stock Unit Grant made to a Non-Employee Director in accordance with Section 4.1 below, "Grant Date" means the first day of the month coincident with or next following the date the Non-Employee Director commences Board service.

(p) **"Initial Restricted Stock Unit Grant"** means an equity grant made under Section 4.1 of this Plan.

(q) **"Lead Director"** Independent Director appointed by the Board to act as liaison between Directors, CEO and other members of Management.

(r) **"Nominating and Governance Committee"** means the Corporate Governance Committee of the Board of Directors.

(s) **"Non-Employee Director"** means a member of the Board of Directors who is not an employee of the Company or any Affiliate of the Company.

(t) **"Omnibus Incentive Plan"** means the Under Armour, Inc. 2005 Omnibus Long-Term Incentive Plan, as amended and restated from time to time.

(u) **"Plan"** means this Under Armour, Inc. 2015 Non-Employee Director Compensation Plan, as amended and restated from time to time.

(v) **"Plan Year"** means the twelve month period beginning on January 1 and ending on December 31 of each year.

(w) **"RSU"** means a restricted stock unit granted under the Omnibus Incentive Plan.

(x) **"Quarter"** means each Company fiscal calendar quarter, which begins on January 1, April 1, July 1, and October 1 of each year.

(y) **"Separation from Service" or "Separate from Service"** means a Non-Employee Director ceasing to be a member of the Board for any reason, determined in accordance with Code Section 409A and the guidance issued thereunder, including Proposed Treas. Reg. Section 1.409A-1(h) (or any successor rule or regulation thereto).

Section 2 Eligibility

Each Non-Employee Director shall be eligible to participate in the Plan on the date he or she is first appointed or nominated to the Board, in accordance with its terms.

Section 3 Compensation

3.1 Annual Retainer

(a) Subject to the other provisions of this Plan, each Non-Employee Director shall receive an annual retainer of Seventy-Five Thousand Dollars ($75,000) in installments of Eighteen Thousand Seven Hundred Fifty Dollars ($18,750) each Quarter, paid in arrears.

(b) Non-Employee Directors who Separate from Service during a Quarter shall receive a *pro-rata* payment for that Quarter based on the number of days of service as a Board member in the Quarter.

(c) A Non-Employee Director may elect to defer all of the value of the Annual Retainer as DSUs under the DSU Plan, in accordance with its terms.

3.2 Annual Retainer for Lead Director

(a) The Lead Directors shall receive an annual retainer of Twenty Five Thousand Dollars ($25,000) in installments of Six Thousand Two Hundred Fifty Dollars ($6,250) each Quarter, paid in arrears.

(b) Lead Director may elect to defer all of the value of the Annual Retainer for Lead Director as DSUs under the DSU Plan, in accordance with its terms.

3.3 Expenses

Each Non-Employee Director shall be reimbursed for his or her reasonable expenses incurred for attending meetings and otherwise acting on the Company's behalf. To the extent that any reimbursement under the Plan provides for a "deferral of compensation" within the meaning of Section 409A of the Code, (i) the amount eligible for reimbursement in one calendar year may not affect the amount eligible for reimbursement in any other calendar year, (ii) the right to reimbursement is not subject to liquidation or exchange for another benefit, and (iii) any such reimbursement of an expense must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred

3.4 Committee Chairs

(a) In addition to fees otherwise paid hereunder, each Committee Chair shall be paid a Committee Chair annual retainer, as follows:

Committee Chair	**Annual Retainer**
Audit Committee	$15,000
Compensation Committee	$12,500
Nominating and Governance Committee	$10,000

(b) Whether the Committee Chair of an additional committee or sub-committee established by the Board is entitled to a Committee Chair annual retainer, and the amount of such retainer, if any, shall be determined by the Board, solely in its discretion.

(c) Committee Chair annual retainer fees shall be paid in equal Quarterly payments, in arrears, and subject to the rules set forth at Section 3.1 (b) above.

(d) A Non-Employee Director may elect to defer all of the value of the Committee Chair annual retainer as DSUs under the DSU Plan, in accordance with its terms.

Section 4 Equity Grants

4.1 Initial Restricted Stock Unit Grant

(a) On the Grant Date applicable to Initial Restricted Stock Unit Grants, each new Non-Employee Director shall be granted an RSU with an equivalent value as of the Grant Date of One Hundred Thousand Dollars ($100,000).

(b) RSUs will be granted under and pursuant to the terms of the Omnibus Incentive Plan and subject to the terms of an Award Agreement by and between each Non-Employee Director and the Company. Each RSU shall vest 1/3rd annually while the Non-Employee Director continues to serve as a Board member, starting with the first anniversary of the Grant Date. Upon vesting, each RSU shall be settled in the form of a DSU, and shall be deferred in accordance with the terms of the DSU Plan. DSU interests shall be settled in the form of Company stock on the date that is six (6) months from the date the Board member incurs a Separation from Service and otherwise in accordance with Section 4 of the DSU Plan.

(c) Non-Employee Directors who are Board Members on the Effective Date are not eligible for this RSU grant.

4.2 Annual Restricted Stock Unit Grant

Each Non-Employee Director who serves as a Board Member at the close of each annual shareholder meeting of the Company shall be awarded the number of RSUs equivalent in value as of the Grant Date to One Hundred Twenty-Five Thousand Dollars ($125,000). Annual RSUs shall 100% vest on the date of the next shareholder meeting following the Grant Date, if the Non-Employee Director is a Board member at that time. Upon vesting, each RSU shall be immediately settled in the form of a DSU, and shall be deferred in accordance with the terms of the DSU Plan. DSU interests shall be settled in the form of Company stock on the date that is six (6) months from the date the Board member incurs a Separation from Service, and otherwise in accordance with Section 4 of the DSU Plan.

4.3 Rules Applicable to Equity Grants

(a) The Board, in its discretion, shall determine whether and to what extent a grant under this Section 4.2 to a Non-Employee Director who begins service as a Board member other than at an annual shareholders meeting shall be prorated for the first year of Board service.

(b) Notwithstanding anything contained herein to the contrary, all grants under this Section 4 shall 100% vest upon the death or Disability of a Non-Employee Director, or upon a

Change in Control. Upon vesting pursuant to this Section 4.3(b), RSUs shall be settled in the form of shares of Company common stock (with fractional shares settled in cash), issued directly to the Non-Employee Director or his beneficiary, and shall not be settled as DSUs in the DSU Plan.

Section 5 General

5.1 Successors and Assigns

The Plan shall be binding on the Company and its successors and assigns and each Non-Employee Director and his or her heirs and legal representatives and on any receiver or trustee in bankruptcy or representative of creditors of the Company or Non-Employee Director, as the case may be.

5.2 Amendment or Termination of the Plan

The Board shall have the right and power at any time and from time to time to amend the Plan in whole or in part and at any time to terminate the Plan; provided, however, that an amendment to the Plan may be conditioned on the approval of the shareholders of the Company if and to the extent the Board determines that such approval is necessary or appropriate. No termination, amendment, or modification of the Plan shall adversely affect in any material way any award previously granted under the Plan, without the written consent of the affected Non-Employee Director.

5.3 Limitations on Rights of Non-Employee Directors

(a) Any and all of the rights of the Non-Employee Directors respecting payments under the Plan shall not be transferable or assignable other than by will or the laws of descent and distribution, nor shall they be pledged, encumbered or charged, and any attempt to do so shall be void.

(b) Any liability of the Company to any Non-Employee Director with respect to receipt of payment under this Plan shall be based solely upon contractual obligations created by the Plan. Neither the Committee nor the Board shall be liable for any actions taken in accordance with the terms of the Plan.

5.4 Compliance with Law

The obligations of the Company with respect to payments hereunder are subject to compliance with all applicable laws and regulations. In connection with the Plan, each Non-Employee Director shall comply with all applicable laws and regulations and shall furnish the Company with any and all information and undertakings as may be required to ensure compliance therewith.

5.5 Governing Law

The Plan shall be governed by and construed in accordance with the laws of Maryland. The Plan is also intended to comply with the requirements of section 409A of the Code, to the extent such section applies, and to the extent applicable, this Plan shall be interpreted in a manner consistent with that intent.

5.6 Administration

The Committee shall have complete discretionary authority and power to (i) construe, interpret and administer the Plan and any agreement or instrument entered into under the Plan, (ii) establish, amend and rescind any rules and regulations relating to the Plan, (iii) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan, including without limitation decisions regarding eligibility to participate and the amount and value of any payment, and (iv) delegate to other persons any duties and responsibilities relating to the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency or ambiguity in the Plan in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. No member of the Committee shall be liable for any action or determination made in good faith. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be binding and conclusive for all purposes and on all persons, including the Company, all Non-Employee Directors and any other person claiming an entitlement or benefit through any Non-Employee Director. All expenses of administration of the Plan shall be borne by the Company.

Exhibit 21.01

Subsidiaries	Incorporation
Under Armour Europe B.V.	The Netherlands
Under Armour Retail, Inc.	Maryland
Global Sourcing Ltd.	Hong Kong
UA International Holdings C.V.	The Netherlands

Subsidiaries not included in the list are omitted because, considered in the aggregate as a single subsidiary, they do not constitute a significant subsidiary.

Exhibit 23.01

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-130567, 333-129932 and 333-172423) of Under Armour, Inc. of our report dated February 20, 2015 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Baltimore, Maryland
February 20, 2015

Exhibit 31.01

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kevin A. Plank, certify that:

1. I have reviewed this annual report on Form 10-K of Under Armour, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2015

/s/ KEVIN A. PLANK

Kevin A. Plank

Chairman of the Board of Directors and
Chief Executive Officer

Exhibit 31.02

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brad Dickerson, certify that:

1. I have reviewed this annual report on Form 10-K of Under Armour, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2015

/s/ BRAD DICKERSON

Brad Dickerson

Chief Financial Officer

Exhibit 32.01

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Under Armour, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the annual report on Form 10-K of the Company for the period ended December 31, 2014 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2015

/s/ KEVIN A. PLANK

Kevin A. Plank

Chairman of the Board of Directors and
Chief Executive Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Under Armour, Inc. and will be retained by Under Armour, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.02

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Under Armour, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the annual report on Form 10-K of the Company for the period ended December 31, 2014 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2015

/s/ BRAD DICKERSON

Brad Dickerson

Chief Financial Officer

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Under Armour, Inc. and will be retained by Under Armour, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.